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Summary record of the 7th meeting
Held at Headquarters, New York, on Thursday, 18 October 2007, at 10 a.m.

Chairman: Mr. Ali ..... (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

07-55106 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 127: Programme budget for the biennium 2006-2007 (*continued*)

United Nations Office for Partnerships (A/62/220 and A/62/363)

1. **Mr. Dossal** (Executive Director of the United Nations Office for Partnerships) introducing the report of the Secretary-General on the United Nations Office for Partnerships (A/62/220), said that the report provided information on the activities of the United Nations Democracy Fund, the United Nations Fund for International Partnerships and partnership advisory services and outreach.

2. The Office was currently working with a variety of State and non-State actors, including companies, corporations, non-governmental organizations (NGOs) and individual philanthropists interested in helping to achieve United Nations goals, especially the Millennium Development Goals. In 2006, the Office had handled almost 500 inquiries from the private sector. It expected that Mr. Robert E. Turner would be able to meet his $1 billion commitment and that other partnerships would yield another $1 billion. To date, the Office had mobilized over $560 million in resources, in addition to the commitment from Mr. Turner.

3. In 2006, the United Nations Democracy Fund had attained full operational status as a Trust Fund. At its first Advisory Board meeting in March 2006, the Board had recommended funding 125 projects at a total value of $36 million for democracy-building projects, focused on civic education, democratic dialogue, civil society empowerment, human rights issues and so forth. Detailed information on the Fund's first year of operations was contained in Section III of the report.

4. Section IV of the report described the Office's activities in facilitating partnerships through advisory services and outreach. The Office screened internal and external inquiries and provided advice to United Nations entities and external organizations on the development of programmes, the establishment of global and regional networks and the development of creative financing mechanisms.

5. Bearing in mind the need for quality control, transparency and accountability, the Office was examining ways to tighten its guidelines and convert corporate social responsibility commitments into concrete programmes. The Office also worked with United Nations and private sector focal points to devise a coherent partnership strategy.

6. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/62/363), said that the Committee had been provided with additional information on the status of cash transfers and project implementation by the United Nations Fund for International Partnerships, which was annexed to the Committee's report.

7. The Advisory Committee had noted that the United Nations Democracy Fund had become fully operational in 2006 and that it had been included in the Secretary-General's report for the first time. It noted with appreciation that, in addition to the commitment of $1 billion by Mr. Robert E. (Ted) Turner, the United Nations Foundation expected to raise another $1 billion from other partners to support United Nations causes.

8. The Advisory Committee recommended that the General Assembly should take note of the report of the Secretary-General.

9. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, said that, since its establishment in 1998, the United Nations Office for Partnerships had allocated approximately $1 billion for 400 projects in critical areas such as children's health, women's issues, the environment and peace and security. The Group appreciated the important work accomplished by the Office worldwide and commended its projects aimed at supporting national efforts to achieve the Millennium Development Goals.

10. The Group welcomed the Office's ongoing efforts to obtain a new tranche of $1 billion for United Nations causes. It recognized the Office as a gateway between the United Nations system and the private sector, foundations and civil society, in conformity with the 2005 World Summit Outcome. The fact that hundreds of prospective partners had shown interest in collaborating with the Office attested to its credibility in the private sector. The Group had noted the efforts of the Office to improve programme implementation through lessons learned and it would continue to support its work.

11. Noting that the General Assembly had mandated the Secretary-General to explore ways to establish

partnerships with civil society, the Group wondered whether the Office could develop a mechanism to support the Development Account and financing for development.

12. **Mr. Dossal** (Executive Director of the United Nations Office for Partnerships) said that the Office supported the work of the Financing for Development Office and intended to establish a more formal relationship with both the Development Account and the Financing for Development Office to explore ways to pool their resources for the common good.

13. **The Chairman** invited the Committee to adopt the following oral draft decision on the United Nations Office for Partnerships:

> "The Fifth Committee, having considered the report of the Secretary-General on the United Nations Office for Partnerships (A/62/220) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/62/363):
>
> (a) *Takes note* of the report of the Secretary-General (A/62/220);
>
> (b) *Endorses* the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions (A/62/363)."

14. *The draft decision was adopted.*

Agenda item 128: Proposed programme budget for the biennium 2008-2009

Revised estimates relating to the proposed programme budget for the biennium 2008-2009 under sections 17, 20, 21, 27, 28C, 28D, 28E, 28F and 28G to ensure operational preparedness and business continuity in a protracted human influenza pandemic crisis (A/62/328 and A/62/474)

15. **Ms. McDonald** (Director of the Facilities and Commercial Services Division, Department of Management), introducing the Secretary-General's report on the revised estimates relating to the proposed programme budget for the biennium 2008-2009 under sections 17, 20, 21, 27, 28C, 28D, 28E, 28F and 28G to ensure operational preparedness and business continuity in a protracted human influenza pandemic crisis (A/62/328), said that the emergence of a virulent strain of avian influenza known as A(H5N1) had put the world on alert for a new human pandemic. As at 12 September 2007, a total of 328 human cases and 200 deaths from avian influenza had been reported in 12 countries worldwide since 2003. The recently released *WHO World Health Report 2007* referred to the pandemic influenza as the most feared potential public health emergency of international concern. It was therefore imperative that the United Nations should be prepared for the eventuality of an influenza pandemic.

16. In September 2005, the United Nations had established a United Nations System Influenza Coordinator, who was working with the World Health Organization (WHO), other United Nations entities and external partners to ensure that the United Nations system provided adequate and coordinated support to countries as they controlled avian influenza and prepared for the next human influenza pandemic. Recognizing the importance of pandemic preparedness to the integrity of the United Nations system, its staff and the people it served worldwide, the Secretary-General had issued a directive requiring all United Nations system agencies and offices, including country offices, to prepare for a human influenza pandemic.

17. A pandemic would differ from other crises covered by current crisis management plans, owing to its slow onset, long duration and global reach. An estimated 30 per cent of United Nations personnel and their families could fall ill and absenteeism could reach 40 per cent. The complexity of the situation might be further compounded by a reduced capacity of vendors and the host Government public safety and emergency management institutions.

18. Contingency planning at United Nations headquarters locations and regional commissions had followed specific scenarios that were linked to the World Health Organization's phases of a pandemic, which were global in nature, and had been adjusted to fit the specific local context. The planning aimed to protect the health, safety and security of personnel and physical assets and to ensure the continuation of critical functions and operations.

19. The following critical functions had been identified: the ability of the principal organs (i.e. the Security Council and the General Assembly) to conduct critical meetings and communicate with other organizations and Governments; the ability of the

Secretary-General to represent the Organization, to respond to the needs of the international community, to provide the means for diplomatic discourse and negotiation and to play a global leadership role; the protection of United Nations system personnel and physical assets; the ability to make important operational and policy decisions related to the pandemic and for critical global and field operations and mandates, including peacekeeping and humanitarian operations; the ability to communicate with other organizations and Governments; the maintenance of utilities, telecommunications and information technology services; and the continuation of critical administrative functions.

20. The planning and preparedness process included medical interventions and prevention activities, business continuity and preparatory activities. To avoid any duplication of efforts, careful attention was being given to ensuring that the activities considered in the report — particularly those related to telecommuting strategies, information dissemination and procurement — were harmonized with and complementary to other ongoing activities undertaken by different United Nations organizational units, funds and programmes. For example, the information technology activities complemented those described in the comprehensive report on information and communications technology disaster recovery and continuity of operations for the Secretariat to be submitted to the General Assembly at the current session. It should be noted that business continuity was far broader than information and communication technology requirements.

21. The Secretary-General requested the General Assembly to approve the overall resource requirements under the regular budget arising from the implementation of the proposals contained in the report in the estimated amount of $7,868,600 requested for the biennium 2008-2009 for the United Nations headquarters locations and regional commissions.

22. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the additional information provided to the Advisory Committee on estimated expenditure for 2007, the summary of recurrent and non-recurrent requirements, and the general temporary assistance positions for 2008-2009 were annexed to its report on the revised estimates (A/62/474). While recognizing the need for contingency planning for a protracted human influenza pandemic crisis, the Advisory Committee was of the opinion that a prudent and well-coordinated approach ought to be followed across the United Nations system. It had recommended a comprehensive approach to business continuity requirements, including those arising in the event of a human influenza pandemic, as well as those related to disaster recovery and business continuity in the area of information and communications technology, for which a separate report was being submitted to the General Assembly. The Advisory Committee's recommendations were to be found in paragraph 14 of its report. The General Assembly might wish to approve the revised estimates for 2008-2009 subject to those recommendations.

23. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, said that the Group recognized the threat posed by the virulent strain of avian influenza to humankind, including United Nations staff. The Organization's efforts in terms of preparedness to deal with the potential hazards were commendable, in particular the appointment of a United Nations System Influenza Coordinator, an inter-agency steering committee, and coordinators at all duty stations, and the formulation of guidelines and contingency plans by the Pandemic Senior Emergency Policy Team.

24. The Group would welcome clarification of the assumptions underlying the resources requested in the Secretary-General's report, in particular the assumption that the pandemic would have an impact on 30 to 40 per cent of United Nations personnel and might affect all duty stations, as well as information on consultations with WHO and national health authorities in the preparation of the report. The Advisory Committee had offered useful advice on business continuity requirements, a matter to be supervised by the Chief Information Technology Officer instead of being dealt with on a piecemeal basis. The Group was generally in agreement with the Advisory Committee's other comments and recommendations on medical intervention and prevention, capacity-building and training.

25. **Mr. Mukai** (Japan) said that Japan had been cooperating with the United Nations System Influenza Coordinator. Since a stock of knowledge and information had been accumulated by United Nations institutions, notably WHO, through such cooperation by Member States, recourse should be had to that stock before any special measures of preparedness were

introduced. In particular, the establishment of a special unit dealing solely with avian influenza should be approached with caution: he wondered whether agencies such as WHO had such special units.

26. A piecemeal approach to business continuity should be avoided: all the requirements should be collated by the Chief Information Technology Officer and a comprehensive report should then be submitted to the General Assembly at its resumed sixty-second session. The requirements of medical intervention and prevention could be met by the emergency medical measures introduced by the host countries of duty stations, by the Organization's existing medical services, and by the existing package of medical insurance. In the case of capacity-building and training, the Organization should have recourse to the existing resources and experience, particularly those of WHO, before new resources were requested.

27. His delegation would like to have responses on those points before discussing the budget proposals in greater detail.

28. **Mr. Ramos** (Portugal), speaking on behalf of the European Union, noted that certain activities discussed in the report dated back to the establishment of the United Nations System Influenza Coordinator in September 2005. He therefore wondered why the revised estimates had not been included in the Secretary-General's report on the proposed programme budget for the biennium 2008-2009 but were issued in a separate document.

29. **Ms. McDonald** (Director of the Facilities and Commercial Services Division, Department of Management), responding to the issues that had been raised, said that the pandemic plans had been validated externally in July 2007 to ensure that the plans and their accompanying budgets were in line with best practices. The requirements for headquarters had not been altered but minor changes had been made to the requirements for other locations. In a few cases, the requirements had even been increased.

30. The role of WHO was to reduce human exposure to the A(H5N1) virus; strengthen the pandemic early warning system; put in place measures that might contain an emerging pandemic influenza at its source; and increase the capacities of countries in the international community. It was not concerned with the management of operations during a protracted emergency. The role of the United Nations System Influenza Coordinator was to provide support to Governments and country teams.

31. In reply to the comments regarding the use of a piecemeal approach to business continuity requirements, she pointed out that the proposals contained in the report were structured to complement the comprehensive report on information and communications technology disaster recovery and continuity of operations for the Secretariat, which would be submitted to the General Assembly at its sixty-second session.

Agenda item 126: Review of the efficiency of the administrative and financial functioning of the United Nations

United Nations Secretariat Consolidated Report 2006 (A/62/164 and A/62/352)

32. **Ms. Hurtz-Soyka** (Chief of the Office of Oversight and Internal Justice, Department of Management), introducing the note by the Secretary-General (A/62/164) transmitting the *United Nations Secretariat Consolidated Report 2006*, recalled that in its resolution 60/283 the General Assembly had taken note of the intention of the Secretary-General to submit a second consolidated report with the aim of enhancing the transparency of the Organization and the accountability of the Secretariat to Member States and had emphasized that the report should be developed in the context of paragraphs 68 and 69 of the report of the Advisory Committee (A/60/870) on the *Consolidated Report 2005*. The Assembly had further emphasized that the *Consolidated Report 2006* would not replace the report of the Secretary-General on the work of the Organization required under Article 98 of the Charter. Accordingly, the main goal of the exercise was to promote transparency and accountability by providing, in a single annual document in all six official languages, performance and financial information currently found in a variety of other locations. The *Consolidated Report 2006* did not replace any other report.

33. The *Consolidated Report 2006* linked policy priorities, programme activities and resources and discussed management challenges and corrective actions taken or planned, providing a strategic overview of the Secretariat's most significant accomplishments and challenges in 2006 and a frank analysis of the Organization's performance. It focused

on the results achieved and the progress made towards the attainment of the Secretariat's goals in 10 priority areas, illustrating the value provided by the Secretariat in the light of the priorities. The Secretariat believed that the Member States would find the combination of performance and financial information in one report a more useful method of indicating how it spent its funding and the programmatic results thereof.

34. The *Consolidated Report 2006* also included an analysis by the Office of Internal Oversight Services (OIOS) of the most serious management and performance challenges facing the Secretariat and an assessment of its progress in addressing them. It also reproduced the executive summary of the report of the United Nations Board of Auditors on peacekeeping operations for the financial period ended 30 June 2006.

35. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the *United Nations Secretariat Consolidated Report 2006* (A/62/352), said that, in his comprehensive management reform proposals in his reports on "Investing in the United Nations: for a stronger Organization worldwide" (A/60/692 and Corr.1 and A/60/846/Add.4), the Secretary-General had proposed the production of a single comprehensive annual report containing both the financial and programme information necessary for assessing the Organization's performance and management of resources. That report was intended to be a tool for enhancing the transparency and accountability of the Secretariat to Member States and to the public at large. In its report on those proposals (A/60/870, paras. 68 and 69), the Advisory Committee had emphasized the need to define more clearly the purpose of the consolidated report and the target audience. It had pointed out that an attempt to provide a single report to serve the needs of both the general public and Member States might result in a document which was too technical for the former and too general for the latter.

36. There remained ambiguity about the target audience. While the Advisory Committee recognized that efforts had been made to provide fuller information on the weaknesses of and the challenges faced by each department, it was not convinced that the *Consolidated Report 2006*, as currently presented, improved transparency or accountability in any significant way. It therefore recommended that the publication of the *Consolidated Report* should be discontinued. It did welcome, however, the succinct overview provided of the distribution of the regular budget and other assessed and extrabudgetary resources by strategic performance activity, as well as the summary of the Secretariat's financial performance. It noted that such synthesized comprehensive data, consolidated in one place, were not found in other public documents. Such data could be provided to Member States in the annual report of the Secretary-General on the work of the Organization.

37. **Mr. Guerber** (Switzerland) said that, while the Secretariat's effort to provide an overview of its accomplishments and challenges was welcome, as was its presentation of its budget, expenditures and staffing, the *Consolidated Report 2006* still left room for improvement. His delegation agreed with the Advisory Committee that the target audience must be defined more clearly; the publication should in fact be aimed at governmental officials, members of parliament, the academic world and non-governmental organizations, for their support of the Organization must not be taken for granted.

38. With regard to the Advisory Committee's comment that the *Consolidated Report 2006* did not reflect the impact of the work of other United Nations bodies and non-governmental partners, it might indeed be useful to expand the coverage over time, but in view of the complexity of the mandates and structures of the members of the United Nations family a less ambitious, incremental approach would be better. Some of the areas of priority to the Member States were underrepresented: it would be interesting to know more about the way in which the structure of the document had been arrived at and about means of striking a better balance between editorial space and content relevance. The possibilities of reducing the cost of producing future reports should be explored: there was no need, for example, for publication to be synchronized with the calendar year; synchronization with the report of the Secretary-General on the work of the Organization would make the gathering of information easier and cheaper. It was not clear why the Secretariat had recruited an external consultant instead of tapping the capacities of the Department of Public Information.

39. Since the *Consolidated Report* offered a unique opportunity to make a broader audience more aware of the work of the United Nations, the Committee should seek ways of improving it and moving it beyond the prototype stage.

40. **Mr. Golovinov** (Russian Federation) said that his delegation attached great importance to increasing the transparency and accountability of the Secretariat to the Member States, which should indeed be the goal of the production of an annual consolidated report. Pursuant to section V of General Assembly resolution 60/283 the Secretariat was to have submitted the first such report to the Committee for a decision on the usefulness of the exercise. Instead, the *Consolidated Report 2005* had been published, without authorization by the General Assembly and only in English, and placed on sale in the United Nations Bookshop. Moreover, despite the indignation at that move expressed by the overwhelming majority of delegations at the sixty-first session of the General Assembly, the publication remained on sale. The Secretariat should immediately withdraw it, and OIOS should be requested to identify the Secretariat officials who had authorized its issuance, with a view to obtaining compensation for the financial loss caused to the Organization. His delegation would also like to know why OIOS had not already carried out such an investigation.

41. The Advisory Committee had rightly expressed concern at the failure of the *Consolidated Report 2006* to increase the transparency and accountability of the Secretariat: although the note by the Secretary-General did indeed refer in that connection to section V of General Assembly resolution 60/283 and to paragraphs 68 and 69 of the Advisory Committee's earlier report, those documents had clearly been disregarded in its preparation. It was also surprising that the Secretariat had recruited an external consultant instead of having recourse to the Department of Public Information. His delegation requested information on the total amount of financial resources spent on the production of the two consolidated reports. It endorsed the Advisory Committee's recommendation that publication should be discontinued.

42. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, said that the Group fully endorsed the Advisory Committee's comments and recommendations.

43. **Ms. Hurtz-Soyka** (Chief of the Office of Oversight and Internal Justice, Department of Management), replying to the matter raised by the representative of the Russian Federation, said that the *Consolidated Report 2005* had been on sale for a very limited time and that only about 100 copies had been sold before it had been withdrawn. On the point raised by the representative of Switzerland, she said that the structure of the *Consolidated Report 2006* had been based on the strategic priorities set out in the medium-term plan for the period 2002-2005.

44. **Mr. Golovinov** (Russian Federation) said that he had visited the United Nations Bookshop just before delivering his statement: the *Consolidated Report 2005* was still on sale.

The meeting rose at 11.05 a.m.

United Nations A/C.5/62/SR.8

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Summary record of the 8th meeting
Held at Headquarters, New York, on Tuesday, 23 October 2007, at 10 a.m.

Chairman: Mr. Ali ..... (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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07-55798 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 128: Proposed programme budget for the biennium 2008-2009 (*continued*)

Capital master plan (A/62/5 (Vol. V), A/62/281 (Part I), A/62/364 and A/62/490)

1. **Ms. Bárcena** (Under-Secretary-General for Management), introducing the Secretary-General's fifth annual progress report on the implementation of the capital master plan (A/62/364), said that, since the submission of the previous progress report, the construction management firm, Skanska Building USA, had been selected, a new Executive Director had been appointed, a lease had been signed for swing space in midtown Manhattan, pre-construction advisory services and value engineering had begun and significant progress had been made with the design of the project.

2. The Administration welcomed the relevant report of the Board of Auditors (A/62/5 (Vol. V)) and fully endorsed its findings. There were three main reasons for the delays and cost overruns highlighted in that report: first, the unique procurement requirements of the construction management contract had necessitated special due diligence on the part of the Organization; second, the process of incorporating blast resistance and enhanced sustainability into the design documents had been time consuming and complex; and, third, significant changes in the leadership of the Organization had altered the chain of command.

3. In order to respond to the provisions of General Assembly resolution 61/251, pursuant to which he had been requested to make every effort to avoid budget increases and to submit to the Assembly for its consideration possible options on how to remain within the approved budget, the Secretary-General was proposing to accelerate the approved strategy IV. His proposal was consistent with the approved strategy IV in that it allowed for the General Assembly and conferencing functions to remain in the United Nations compound in temporary facilities. The Library would be moved out, as planned, and the Library building would be used as additional swing space. Under the accelerated strategy, however, the entire Secretariat building would be emptied and renovated in one phase rather than four, and work on the General Assembly and Conference buildings would be carried out in two rather than three phases.

4. The accelerated strategy would be advantageous because it would reduce risk in three areas. It would diminish the impact of construction on the Organization's activities and reduce the risk of a construction-related incident or accident. It would also obviate the need for pauses in the construction schedule, thereby reducing the likelihood of cost increases. Lastly, it would reduce the risk of unanticipated cost escalation as a result of unexpected increases in inflation because the bulk of the construction contracts would be negotiated and settled in 2008 and 2009 and all the materials would be purchased at 2008 prices.

5. The major advantage of the accelerated strategy, in addition to the fact that it would not require any additional funds or changes to the assessment method or timetable, was the fact that the entire project would be completed by 2013, i.e. in five years rather than seven, thereby significantly reducing the disruption to the Organization's operations.

6. The accelerated strategy had not been proposed earlier for a number of reasons. It was only recently, following the award of the construction management contract in July 2007, that Skanska Building USA had indicated that it could renovate an empty Secretariat building in three rather than six and a half years, at significant savings to the United Nations. Furthermore, although commercial office rents were still climbing, over the past six months it had become clear that a few sites could be obtained at reasonable rates. Lastly, retaining the General Assembly, conferencing functions and the Executive Office of the Secretary-General in the existing compound would mean that only 1,700 additional staff would need to be moved off site.

7. The proposed accelerated strategy IV, if implemented, would keep the project within the approved budget of $1.876 billion. When compared with the cost of pursuing the approved strategy IV, the added cost of leasing additional swing space would be more than offset by the cost savings expected from the implementation of the accelerated renovation schedule. Moreover, existing assessments would provide adequate funds for the execution of the project, and the construction manager would not therefore require the letter of credit unless the schedule of payments fell behind.

8. Regardless of the strategy selected, the plan was already over budget. Accordingly, the Office of the

Capital Master Plan, working in partnership with Skanska, was ready to undertake a robust value engineering exercise with a view to reducing costs without compromising the quality or sustainability of the project. The scale of the value engineering needed was similar to that required for most complex projects in the pre-construction phase, and was perfectly feasible. The designs would be modified as necessary to ensure that the approved budget was maintained.

9. The proposed accelerated strategy IV would not alter the design or appearance of the renovated Headquarters complex. It simply modified the phasing of the project. Given the Organization's partial occupancy requirements and its demanding operational and security needs, flexibility was essential. The Secretary-General must be able to respond to new information and new market conditions expeditiously while staying within the approved overall budget and retaining the original method of financing.

10. **Mr. Rey** (Board of Auditors), introducing the report of the Board of Auditors on the capital master plan for the year ended 31 December 2006 (A/62/5 (Vol. V)), said that the Board had noted that the implementation of the capital master plan had been delayed by about a year on account of the time taken by the General Assembly to reach a decision on the project; the addition of new options that increased the project's complexity; the inadequate planning schedule; and the delay in filling the position of Executive Director. Those delays and changes had increased the projected cost of the plan by at least $148 million, and the Administration had advised that that estimate would be subject to further revision based on the evolving schedule of works.

11. The Board was particularly concerned about the findings of the draft risk assessment study conducted by the programme management firm, which had pointed to the absence of geotechnical and exploratory surveys of the structures and materials of the existing buildings and studies on blast protection. There was therefore a risk that, when such surveys and studies were carried out, the proposed foundation and structures might need to be strengthened, resulting in further delays and additional costs.

12. The Board also took the view that, owing to delays in filling posts, there were insufficient human resources to manage the project. Indeed, as at 15 March 2007, the vacancy rate within the Office of the Capital Master Plan was 21 per cent. Furthermore, the Facilities Management Service had not yet adapted its resources to the needs of the project.

13. Lastly, the Board had noted that, of the five recommendations made in its report for the year ended 31 December 2005 (A/61/5 (Vol. V)), three had been fully implemented while two were still under implementation.

14. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/62/490), pointed out that, as at September 2007, the cost of the capital master plan had been estimated to exceed the approved budget by $219.6 million. However, Skanska Building USA had conducted an evaluation with a view to avoiding budget increases, on the basis of which it had been determined that significant benefits would accrue from expediting the phasing of the renovation.

15. In his report, the Secretary-General had indicated that, in order to bring the plan back to within the approved budget parameters, savings would also need to be identified through a value engineering exercise. At the present stage, however, Skanska was not yet required, nor was it able, to provide firm pricing in writing.

16. The Advisory Committee took the view that the planned value engineering exercise was worth pursuing. It was also of the opinion that the costs associated with replacing furniture and equipment, which had not been included in the budget, should be considered in the context of discussions on the plan.

17. Although there were uncertainties and risks connected with the process of implementation, the Advisory Committee saw merit in the accelerated strategy IV, taking into account the information and assurances provided in the Secretary-General's report regarding the reduction of the time frame for completion of the project and the maintenance of its costs within the approved budget. Accordingly, the Advisory Committee recommended that the General Assembly should approve the accelerated strategy IV.

18. **Ms. Mesquita** (Portugal), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina,

Montenegro and Serbia; and, in addition, Armenia, Liechtenstein, Moldova, Norway and Ukraine, stressed the importance and urgency of the capital master plan and called on the Secretary-General to give it his full and personal support.

19. The European Union had been concerned to learn that the implementation of the capital master plan had been beset by delays and cost overruns. In that connection, it agreed with the Advisory Committee that the recommendations of the Board of Auditors were pertinent and focused, and hoped that they would be implemented expeditiously. The Secretariat would be expected to provide updated information on the status of implementation of those recommendations, in particular the recommendation relating to the long-awaited establishment of the advisory board.

20. Following the approval by the General Assembly at its sixty-first session of a construction plan and a funding mechanism, the European Union had trusted that the project would move forward rapidly. Nevertheless, the Secretary-General's new proposals seemed logical and pragmatic. The accelerated strategy IV promised to bring the cost of the project back to within the approved budget of $1.87 billion by expediting the construction schedule and reducing safety, security and operational risks.

21. The European Union also stressed the importance it attached to the Secretary-General's renewed commitment to keep the costs of the plan within the approved budget and financing schedule set out in General Assembly resolution 61/251. It had serious concerns about the potential consequences of additional delays in the implementation of the plan and looked forward to further clarification of the concept of value engineering. Timely and transparent communication from the Secretariat would be of the essence in that regard. Full details of the implications of the new proposals for swing space and for a more environmentally sustainable, "greener" United Nations should also be provided. Lastly, the Secretariat should take advantage of the opportunity afforded by the renovation to conduct a study on streamlining the space used for its activities.

22. **Mr. Chaudhary** (Pakistan), speaking on behalf of the Group of 77 and China, noted with concern that a number of actions taken by the Secretariat had undermined General Assembly mandates and decisions, resulting in delays in the implementation of the capital master plan. Those delays, which had damaged the image of the United Nations, explained the 13 per cent increase in the projected costs of the plan and were the reason it remained essentially unimplemented. The current condition of the Headquarters complex continued to endanger the health and safety of representatives of Member States, Secretariat staff and other individuals.

23. The Group of 77 and China concurred with the recommendations of the Board of Auditors and the related observations and recommendations of the Advisory Committee. The Board's recommendations should be implemented expeditiously and, as requested by the Advisory Committee, the Board should validate the implementation of its recommendations in its forthcoming report on the capital master plan. It was imperative to avoid further delays and cost overruns and to ensure compliance with the mandates of the General Assembly. In that connection, and reaffirming the provisions of General Assembly resolution 61/251, the Group of 77 and China called on the Board of Auditors and the Office of Internal Oversight Services (OIOS) to continue to report on the implementation of the plan.

24. The accelerated strategy IV proposed by the Secretary-General was based on cost, risk and operational considerations and highlighted significant benefits associated with expediting the phasing of the renovation of both the Secretariat and Conference buildings. Under the new strategy, the Secretariat building would be empty during the renovation, thereby eliminating potential health and safety hazards. Paramount consideration should also be given to the safety, security and health of United Nations staff during their relocation to the leased swing space.

25. According to the Secretary-General, expediting the project involved calculating the balance of available real estate opportunities, construction costs and projected escalation at a given time. The Advisory Committee, however, had been informed that the construction management firm was not yet required, nor was it able, to provide firm pricing in writing and that, as Skanska acquainted itself with the design documents, the total project estimate would be fine-tuned and adjusted as necessary. That situation raised serious questions about the financial assumptions used as the basis for the projected costs of the accelerated strategy. It also cast doubts on the Organization's ability to keep the project within the approved budget

and to distribute the assessments over the entire duration of the project.

26. The proposed accelerated strategy IV would reduce the current cost overrun by only $30 million, leaving further savings of $190 million to be identified through value engineering. The Group of 77 and China looked forward to receiving more detailed information about the latter concept and sought concrete assurances that any steps taken in that regard would not compromise the quality, durability and sustainability of the renovated materials and the original design of the Headquarters complex and that no decision would be taken on those issues without the prior approval of the General Assembly.

27. The Group of 77 and China fully supported the Advisory Committee's recommendation that the costs associated with the capital master plan should be considered in the context of discussions on the plan, and looked forward to receiving additional information on that issue. Since the activities giving rise to those costs had been known to the Secretariat since the adoption of strategy IV in 2006, a cost estimate must already have been prepared. The Group also looked forward to receiving further details of the three types of sustainability initiative mentioned in the Secretary-General's report, particularly those initiatives that could result in even greater project performance, as well as the related cost estimates and justifications.

28. The Group of 77 and China took the view that the accelerated strategy and the value engineering concept could have been submitted in 2006 and it was therefore concerned about the possibility of further revisions to the accelerated strategy IV. Accordingly, when implementing that strategy, the Secretary-General should endeavour not only to mitigate the current cost overrun of $219 million but also to lower the total cost of the project. In that regard, the Group drew attention to an error in paragraph 48 of the Secretary-General's report, in which the word "recommendation" had been used instead of "request" or "mandate". The Group trusted that an appropriate corrigendum would be issued.

29. Although the Group of 77 and China had always supported the option of vacating the Secretariat building throughout the renovation process, consistently highlighting the potential problems associated with renovating an occupied building, it had agreed to the phased approach suggested by the Secretary-General. An urgent decision was now needed on the new proposals currently before the Committee. In order to restore the credibility of the project, guarantee the availability of resources and remedy the unacceptable health and safety deficiencies of the Headquarters complex, clear, transparent and responsible decision-making would be essential. In that regard, more frequent interaction between the Secretariat and Member States was required, through, inter alia, regular briefings, more frequent reporting and the posting of information on the website of the capital master plan.

30. **Ms. Lisson** (Australia), speaking also on behalf of Canada and New Zealand, said that she had been surprised to learn that the Fifth Committee was being asked to reconsider its decision on a strategy for completing the capital master plan, a decision that had come after years of difficult negotiations. She agreed, however, that the proposed revised implementation strategy was the best way forward, because it would reduce risks and help to avoid further cost escalation.

31. The accelerated strategy still left the capital master plan some $190 million over budget. Her delegation wished to receive an update on the progress of the value engineering exercise intended to redress that cost overrun. She also sought the Secretary-General's assurance that if the accelerated strategy was approved, the project could be delivered within the budget agreed the previous year. Furthermore, the proposed advisory board should be established to provide effective leadership. She hoped to see some real progress in the following year on the implementation of the capital master plan.

32. **Mr. Fermin** (Dominican Republic), speaking on behalf of the Rio Group, said that many countries in the region had fully paid their assessments for the capital master plan. In that connection, he reaffirmed that the General Assembly and the Fifth Committee were the bodies that had the authority to approve the strategy and costs.

33. The Rio Group was deeply concerned about the lack of progress on the project. The change of Executive Director and lack of leadership and cooperation by Secretariat departments were no excuse for the failure to fulfil mandates established by the General Assembly.

34. There could be no increase in the cost of $1,876.7 million or any change in the distribution of

the assessments stipulated in General Assembly resolution 61/251. Many of the States in the Rio Group had opted to make multi-year payments over five years, and that system of payments had been approved by the General Assembly.

35. The General Assembly had clearly stated in paragraphs 11 and 12 of resolution 61/251 that the project must remain within the approved budget. Nonetheless, the Advisory Committee had noted in paragraph 11 of its report (A/62/490) that there was a projected cost overrun of some $219.6 million. His delegation was concerned that, even if costs could be reduced through an accelerated strategy IV, the expense of leasing additional space and building a larger temporary conference facility might exceed the potential savings. The Rio Group looked forward to hearing the Secretariat's explanation of how the value engineering exercise might keep costs within the approved budget. Moreover, it could not approve the accelerated strategy until the Secretary-General explained the possible savings it would afford.

36. He asked for clarification of the associated costs for furniture and equipment referred to in paragraph 21 of the Advisory Committee's report, and for an explanation of the delay in establishing the advisory board that the General Assembly, internal and external auditors and the Advisory Committee had repeatedly requested.

37. The Rio Group wished to hear in greater detail how the Secretariat planned to ensure the proper storage and handling, for the duration of the reconstruction project, of the works of art, murals, artefacts and other precious objects that Member States had donated to the United Nations.

38. Given the failure to implement General Assembly mandates, great efforts would have to be made to restore confidence in the project. That could only be done through greater transparency and accountability to the Member States.

39. **Mr. Tawana** (South Africa), speaking on behalf of the African Group, said that the reports before the General Assembly indicated that the Secretariat had not taken immediate steps to commence work on the refurbishment of the Headquarters building after approval of the capital master plan. The project was one year behind schedule and $219 million over budget, partly owing to the absence of an Executive Director to provide strategic leadership. The problem of vacancies, particularly in senior posts, jeopardized the implementation of mandates and must be avoided at all costs. He hoped that the recent appointments of an Executive Director and a project manager would speed the implementation of the plan.

40. The African Group welcomed the proposed establishment of an advisory board, and trusted that its membership would be based on broad geographical representation.

41. An accelerated strategy IV could have a positive impact on the implementation of the plan, which should begin quickly. He wished to have assurances, however, that the costs would remain within the approved budget and that the quality of the work would be guaranteed.

42. **Mr. Guerber** (Switzerland) said that the capital master plan should be implemented at minimum cost and as quickly as possible, without compromising the quality of the renovation or the safety of staff members. The new building should be equipped with environmentally friendly technology and other equipment that would reduce maintenance costs and improve working conditions. The accelerated strategy IV met those priorities and would also help to reduce risks arising from the construction process. Moreover, the value engineering exercise currently under way would reduce the costs of the project, which should and could be carried out within the approved budget.

43. Although he was convinced that the accelerated strategy IV was a step in the right direction, some might perceive it as yet another chapter in a lengthy process that had placed a strain on the nerves of many delegations. The rapid establishment of an advisory board would go a long way towards strengthening confidence in the new strategy. The board could also act as an effective intermediary between the Office of the Capital Master Plan and Member States if further changes to the strategy became necessary.

44. The Secretariat should pursue its plan to encourage innovative businesses to use the Headquarters building as a showcase for their energy efficient and environmentally friendly building management products. That was an original idea with the potential for cost savings.

45. Finally, the gifts that the Organization had received from Member States were an important part of its history and should be preserved, whether or not they

could be removed to storage during renovation, and they should be given an appropriate place on the renovated United Nations campus.

46. **Mr. Mukai** (Japan) said that his delegation understood the importance and urgency of the capital master plan. He had therefore been disappointed to hear that the project was a year behind schedule and that the delay had increased the total cost by $219.6 million over the approved budget. Further delay might reduce Member States' trust in the Secretariat's planning and management capabilities.

47. He understood that the main objective of the accelerated strategy IV was to make up for lost time. The most pressing task, however, was to ensure that the estimated cost overrun was absorbed within the budget and to avoid further overruns. He approved of the proposed strategy, provided that the Secretary-General kept his commitment to stay within the approved budget level and maintained the current schedule of assessments.

48. His delegation wished to have clarification on the actual contents of the value engineering exercise, the timing and amount of a series of guaranteed maximum prices, the reliability of forward pricing of cost escalation, and the replacement of furniture and equipment.

49. **Mr. Tarrisse da Fontoura** (Brazil) said that the fate of the murals titled "War" and "Peace", located in the Headquarters building, were of particular interest to his delegation, because they had been painted by the Brazilian artist Candido Portinari. Visitors saw "War" upon entering and "Peace" upon leaving the building, signifying that the essence of the United Nations mission was to transform suffering into hope and war into peace. He wished to have detailed information on the measures planned by the Secretariat for the physical preservation of the murals during the renovation.

50. **Mr. Acharya** (India), said that Member States had been persuaded to adopt strategy IV for the capital master plan by dint of detailed briefings and extensive negotiations, and he was therefore surprised not only that the project was currently facing a delay and a cost overrun, but also that a new accelerated strategy IV was being proposed as a better way to proceed. While he approved of the merits of the accelerated strategy as described, he wondered why those elements, which had existed previously, had not been incorporated into the original strategy. The Organization should be vigilant, and assess and mitigate the risks of the chosen strategy in order to avoid similar adjustments in the future. The recommended construction surveys and project studies should be carried out prior to the start of construction to ensure the safety and security of the structure.

51. He was disturbed by the comments in paragraph 5 of the Advisory Committee's report (A/62/490) concerning the lack of commitment to the project on the part of some United Nations departments, which had led to the cost overrun and delay in implementation. The capital master plan belonged to everyone: Member States, their peoples and the United Nations staff. Total commitment and cooperation on the part of all departments involved was not just an expectation, but an imperative. All department heads had the duty to ensure that they delivered whatever was required of them for the effective and efficient implementation of the plan. He hoped that the newly appointed Executive Director would provide the leadership required to overcome the challenges.

52. The economic validity of the proposed accelerated strategy IV was indisputable. The planned value engineering was worth pursuing, but should be closely monitored and should not be at the expense of quality.

53. His delegation called for increased procurement opportunities for vendors from developing countries for the project. In keeping with the call in General Assembly resolution 61/251 for transparent procurement processes, no unnecessary restrictive clauses should be placed in tender documents that might exclude those vendors on insubstantial grounds.

54. **Mr. Golovinov** (Russian Federation) said that he was deeply concerned by the information in the reports before him about significant delays in implementing the capital master plan and an increase in the estimated costs. He took note of the proposed changes to strategy IV for the implementation of the plan and welcomed the Secretariat's efforts to keep the project within the approved budget and deadlines. He was surprised, however, that the "unlikely event" referred to in paragraph 12 of General Assembly resolution 61/251 of a cost overrun and delay in the work schedule had already occurred before construction had even begun.

55. As it considered the proposed accelerated strategy IV, therefore, his delegation would be looking for convincing guarantees that, once approval had been

given, the capital master plan would quickly proceed to the practical stage, with no further proposals or reconsiderations of strategy in the near term.

56. The main element of the accelerated strategy appeared to be the opportunity to lease additional swing space in Manhattan to house a large number of Secretariat staff members temporarily, a possibility that had not existed previously. He wished to have details on the building that the Secretariat proposed to lease and on the status of negotiations with the building owner.

57. Given the scope of the project and the proposed delegation of broad powers to the project managers, it was especially important that United Nations rules and procedures, as well as General Assembly resolutions on financing, budgets and procurement, should be followed unconditionally. It was crucial that the Office of Internal Oversight Services and the Oversight Committee should keep a close watch over the bidding process that was about to begin to secure subcontractors.

58. The United Nations should also look at how other international organizations (such as the Council of Europe and the World Intellectual Property Organization) had created specialized ad hoc intergovernmental bodies to oversee large-scale construction projects.

59. **Mr. Afifi** (Egypt) said that the failure to meet the schedule for the capital master plan had not only resulted in cost overruns but had affected the credibility of the project and the image of the United Nations. The reasons behind the failure must be carefully assessed to prevent further delays.

60. The General Assembly, in its resolution 61/251, had requested the Secretary-General to submit to it for its consideration possible options on how to remain within the approved budget. It would have been preferable if Member States had been presented with several options rather than a single "take it or leave it" option. Noting that the accelerated strategy IV decreased the overrun by a mere $30 million, he wondered how the strategy would make it possible to remain within the approved budget.

61. It was disappointing that the fifth annual progress report on the capital master plan was considerably less informative than previous reports. His delegation would have welcomed further information on, inter alia, the advisory board, sustainability issues and procurement. It was nevertheless willing to consider the proposed accelerated strategy and hoped that it would indeed expedite the project.

62. **Mr. Corman** (Turkey) said that his delegation attached great importance to the renovation of the United Nations Headquarters complex. It welcomed the appointment of the Executive Director and the appointment of staff to temporary positions in the Office of the Capital Master Plan and other departments. It also appreciated the progress achieved in pre-construction advisory services, design work and the acquisition of off-site swing space. It was, however, concerned that the implementation of the project had been delayed by approximately one year and that that delay had had financial implications, as set forth in the report of the Board of Auditors (A/62/5 (Vol. V)).

63. Although it was not ideal to make serious changes in the approach to such a comprehensive project within a year of its approval, he agreed with the Advisory Committee that there was merit in the accelerated strategy IV and he was confident that the Secretary-General would adhere to the assurances in his report in relation to the reduction of the time frame for completion of the project and to the maintaining of its cost within the approved budget. He also agreed that construction activity in a fully empty building was more efficient, less risky and less expensive than the previous approach.

64. **Ms. Bárcena** (Under-Secretary-General for Management) explained that the report of the Board of Auditors (A/62/5 (Vol. V)) covered the period from 1 January to 31 December 2006. During the past few months, considerable progress had been achieved on many of the actions mentioned in the report. Further information would be provided at a subsequent meeting.

Agenda item 135: United Nations common system (A/62/30, A/62/30/Corr.1, A/62/336 and A/62/353)

65. **Mr. Rhodes** (Chairman of the International Civil Service Commission), introducing the report of the International Civil Service Commission (ICSC) for the year 2007 (A/62/30 and Corr.1), said that, in accordance with the General Assembly's request that the Commission should play a lead role in the development of new approaches to human resource

management as part of the reforms in the United Nations common system, the Commission had focused on modernizing and strengthening the international civil service and developing a more strategic relationship with the organizations of the common system.

66. The Commission had provided timely responses to the requests in General Assembly resolutions 61/239, section D, and 61/274, the details of which were contained in the annual report. The report also set forth, in annex VII, an action plan to strengthen the role and functioning of the Commission. The action plan addressed the development of the Commission's policy capacity over time, strategies to strengthen the consultation process with organizations and staff, and modalities to expedite decision-making. The Commission would continue to review its strategies and restructure itself to bring about changes in the common system.

67. The Commission had committed itself to developing closer relationships with all stakeholders in order to achieve more coherent and effective human resource management across the common system. Member States and the different organizations of the common system had indicated that priority consideration should be given to issues such as performance management, mobility and measures to promote increased productivity and efficiency.

68. Pursuant to General Assembly resolution 61/274, the Commission had considered the Secretary-General's comprehensive proposal on appropriate incentives to retain staff of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia. While it recognized the Tribunals' exceptional mission and the merits of the Secretary-General's proposal, the Commission had concluded that special financial incentives were not appropriate because they were not provided for in the common system and as such would set a precedent, and that there was sufficient latitude within the existing contractual framework to alleviate uncertainty with regard to future employment. The Commission had made certain suggestions to assist the management of the tribunals in utilizing the tools already available to them.

69. The Commission had recommended that the base/floor salary scale for staff in the Professional and higher categories should be adjusted upward by 1.97 per cent, with effect from 1 January 2008. The adjustment would be implemented through the standard consolidation procedure of increasing base salary and commensurately reducing post adjustment multiplier points.

70. The net remuneration margin between the United Nations staff and that of the United States federal civil service in Washington, D.C., for the calendar year 2007 stood at 114.0, which was 0.1 percentage point higher than the margin estimate contained in the annual report for 2007 (113.9). That was because the margin level had been updated using the actual post adjustment multiplier for New York for September to December 2007, which turned out to be slightly higher than the projections available at the time of the issuance of the report.

71. Regarding the harmonization of language incentives, the Commission had found that the various approaches adopted by the different organizations effectively met their operational needs and should therefore be maintained. Paragraph 65 of the annual report set forth certain general guidelines to be observed by organizations when reviewing or developing programmes to improve multilingualism.

72. The Commission continued to monitor the pilot study of the broad banding/pay-for-performance project which was being conducted in five volunteer organizations. During a series of open discussions, it had become apparent that there were differences in respect of what the organizations had been able to accomplish and that the project was in danger of slowly grinding to a halt. Since the project's three-year testing period was about to end, the Commission had decided to request its secretariat to conduct a comprehensive evaluation, stressing the lessons learned. It was expected that the results of the evaluation would be available in 2008.

73. The Commission had also examined the need to harmonize leave entitlements in the common system. It intended to continue its review of the education grant methodology and would report on the outcome at the sixty-third session of the Assembly.

74. Details of the Commission's decisions regarding post adjustments were provided in paragraph 39 of the 2007 annual report and information on the salary survey conducted in London was provided in paragraphs 45 to 49. Pursuant to General Assembly resolution 59/268, the Commission had also continued

to monitor the progress of the Senior Management Network. It was particularly interested in the planned development activities and had asked to be provided with specifics on training programmes for new Senior Management Network members.

75. Contractual arrangements in the common system organizations and the harmonization of entitlements paid to common system staff on duty in hardship duty stations had been included in a supplement to the Commission's annual report for 2006. The Commission was ready to provide any additional information that might be required for the Committee's consideration of those issues.

76. Lastly, the United Nations/United States grade equivalency studies had not been completed. At the request of the Commission, the Commission's secretariat and the secretariat of the Chief Executives Board were exploring alternative approaches for carrying out the studies.

77. **Ms. Nowlan** (Chief of Service III, Programme Planning and Budget Division), introducing the statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly on the administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2007 (A/62/336), drew the Committee's attention to paragraphs 26 to 30 of the ICSC report (A/62/30), which dealt with the base/floor salary scale as it related to separation payments and the financial implications thereof. Paragraphs 4 and 5 of the Secretary-General's statement (A/62/336) provided details on the financial implications of a 1.97 per cent upward adjustment in the common system salary scale for staff in the Professional and higher categories for the proposed programme budget of the United Nations and the proposed budgets for the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2008-2009.

78. Paragraph 8 of the Secretary-General's statement indicated that the requirements for the proposed programme budget and the proposed budgets of the two Tribunals for the biennium 2008-2009 would be reflected in the recosting of the corresponding proposed budget estimates for the biennium 2008-2009 prior to determination of the appropriations to be adopted by the General Assembly in December 2007.

79. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee on Administrative and Budgetary Questions (A/62/353), said that, in accordance with its past practices, the Advisory Committee had confined its consideration of the financial implications of the recommendations contained in the report of the International Civil Service Commission (A/62/30 and Corr.1) to those submitted to the General Assembly by the Secretary-General in his statement (A/62/336). The Advisory Committee had not commented on the recommendations themselves or on their underlying methodology.

80. The Secretary-General had indicated that the financial implications for the United Nations proposed programme budget for the biennium 2008-2009 resulting from the recommendations of the International Civil Service Commission related to the proposed upward adjustment of the current base/floor salary scale for staff in the Professional and higher categories by 1.97 per cent would be reflected in the recosting of the proposed programme budget for the biennium 2008-2009 prior to determination of the appropriations to be adopted by the General Assembly. The Advisory Committee had no objection to the Secretary-General's proposal.

81. **The Chairman**, in accordance with General Assembly resolution 35/213, invited a representative of the Federation of International Civil Servants' Associations (FICSA) to make a statement.

82. **Mr. Larson** (Federation of International Civil Servants' Associations) recalled that, in 1998, the General Assembly had mandated the International Civil Service Commission to review its consultative process and working arrangements. One of the outcomes of that review had been a decision to change rule 22.2 of the rules of procedure, which governed the Commission's reporting to the General Assembly. According to the new rule, the Commission would submit to the General Assembly an annual report that included, inter alia, a summary of the positions adopted by the staff representatives and the Consultative Committee on Administrative Questions, if those positions differed from the conclusions of the Commission. He was disappointed that the current report (A/62/30) did not

contain such a summary but trusted that the omission would be corrected in future reports.

83. The Federation of International Civil Servants' Associations (FICSA) strongly supported a harmonized and coherent common system and hoped that any flexibility accorded to the administrations did not result in a wide variation in conditions of service. The Federation fully supported an equitable and merit-based common system in which merit was the key criterion for selection and advancement. The determination of merit must be fair and transparent.

84. The Federation was concerned about the Commission's decision not to approve special financial incentives for the International Criminal Tribunal for Rwanda and the International Criminal Tribunal for the Former Yugoslavia. Its position was outlined in its statement, the full text of which had been circulated to Committee members.

85. With respect to the evolution of the United Nations/United States net remuneration margin, FICSA noted with dismay that the average margin level for the previous five years had been below the desirable midpoint of 115, currently standing at 112.3. The proposed 1.97 per cent adjustment of the base/floor salary scale did not yield an increase in take-home pay, since it was implemented on a no loss/no gain basis by deducting a percentage of post adjustment. The Federation called on the General Assembly to restore pay competitivity to the United Nations system.

86. The Federation appreciated the Commission's ongoing monitoring of the progress in the development of a Senior Management Network and asked whether criteria had been developed to evaluate the effectiveness of the Network as well as the Leadership Development Programme.

87. With regard to the General Service headquarters salary surveys, FICSA was grateful to the Commission for having accommodated the varying experiences during the survey process in each of the headquarters duty stations. Further comments on the ongoing review of the pay and benefits system and its various components were contained in the full text of the FICSA statement.

88. The Federation would participate in the ICSC working group responsible for conducting a comprehensive assessment of the pilot study to identify practices in performance management that could be used to formulate guidelines on improving performance management in the common system. Based on research conducted in the public sector, the Federation was firmly against performance pay in an international civil service. Further details on its position would be presented in the working group. In the meantime, it noted the position of the Joint Inspection Unit contained in paragraphs 42 and 43 of its 2004 report entitled "Managing Performance and Contracts: part III of the series on managing for results in the United Nations system" (A/59/632).

89. The Federation regretted the Commission's decision to grant organizations extensive flexibility in implementing certain leave entitlements and noted that flexibility had led to unequal leave provisions. Paternity leave, for example, ranged anywhere from three days in some organizations to four weeks in others. There were also wide variations in the way in which organizations rewarded the knowledge and use of languages. The Federation was of the view that any award for language knowledge and use should be pensionable.

90. The Federation took note of the Commission's decision to continue its review of the education grant methodology. It seriously regretted, however, that ICSC had not approved the sound recommendations of the working group to simplify and streamline the methodology. The Fifth Committee should bear in mind that any attempt to reduce the education grant would make it much more difficult for the organizations to recruit qualified people with families.

91. Despite the Commission's intention to "consider ways to further strengthen itself and to maximize its ability to support the General Assembly in guiding the common system", the changes to the ICSC rules of procedure negotiated by the tripartite working group of staff representatives, representatives from organizations and ICSC had never been fully implemented.

92. The Commission had recognized the need for both coherence and flexibility in the common system. While FICSA understood the need for more tailored approaches to human resources management in the different organizations, it cautioned that flexibility should not undermine the "commonality" of the common system. Coherent conditions of service were particularly important, given that staff were required to be mobile.

93. The long-stated purpose of reforming the Commission was to establish a more active dialogue with staff representatives and the organizations. The Federation hoped that the consultation procedure would evolve into a real partnership and it would continue to do its part for the sake of the common system.

94. **Ms. Mesquita** (Portugal), speaking on behalf of the European Union, the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey, the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro, and Serbia, and, in addition, Armenia, Liechtenstein, Moldova, and Ukraine, said that the European Union emphasized the Commission's importance as a central body for keeping the common system together. It welcomed the speedy work done by the Commission on contractual arrangements, the harmonization of conditions of service, and retention incentives for the International Criminal Tribunals for Rwanda and the Former Yugoslavia but requested an explanation of the slowness of the progress of the pilot project on broad banding/reward for contribution. The European Union commended the Commission for improving its working methods and drew attention in that connection to the decisions on strengthening the Commission contained in General Assembly resolution 61/239. In its further work the Commission should formulate recommendations on steps to achieve gender balance in the common system, especially at the senior levels. The common system bound the United Nations family together and was an important factor in standardizing rules and regulations: the potential of staff mobility, for example, which would be impossible without the common system, should be explored further. All delegations depended heavily on the Commission's expertise and negotiating skills, not just for decision-making but also in pushing back frontiers. The European Union would continue to give the Commission the necessary backing.

95. **Mr. Farooq** (Pakistan), speaking on behalf of the Group of 77 and China, said that the Group reaffirmed its support for the Commission's role and acknowledged its efforts to make that role relevant for the General Assembly and the common system. It welcomed the new user-friendly format of the ICSC report, the action plan for 2008-2009, and the strategy for strengthening the Commission.

96. The Group endorsed the Advisory Committee's recommendations on the upward adjustment of the base/floor salary scale and the recosting of the proposed programme budget for the biennium 2008-2009. The Commission's work on field staffing, the entitlements of internationally recruited staff at non-family duty stations, contractual arrangements and retention incentives for the staff of the two International Criminal Tribunals would be critical to the General Assembly's decisions on those questions. The Commission's recommendations on improving transparency and accountability and geographical representation in the management of human resources were also welcome. The Group sought assurances that the methodology used by the Advisory Committee on Post Adjustment Questions was in accordance with internationally agreed principles, and it looked forward to the completion of the ICSC review of the education grant methodology.

97. The Group requested more details on the Commission's continuing pivotal role in the development of the Senior Management Network and the evaluation of its Leadership Development Programme and on its work on leave entitlements; all United Nations organizations should indeed follow the common-system regulations on such entitlements and on work/life balance and health care issues. The Group looked forward to the report on broad banding/reward for contribution. The recommended guidelines on language incentives needed clarification. The policy of improving the language skills of all staff members certainly deserved support, but possession of such skills should not be used as an additional condition of recruitment, placement and promotion: recruitment procedures must comply strictly with Article 101.3 of the Charter.

98. **Ms. Butchart** (Canada), speaking also on behalf of Australia and New Zealand, said that the three delegations emphasized the connection between the work of the Commission and the effective functioning of the organizations of the common system. The Commission had provided specific guidance on two human resources issues: first, its conclusions on the Secretary-General's proposals on contractual arrangements and entitlements provided an important basis for the General Assembly's decisions, and its advice on conditions of service in non-family duty stations helped to clarify the options; and, second, the Commission's recommendations on means of retaining

staff in the International Criminal Tribunals were very helpful, in particular the identification of non-monetary incentives.

99. Since the strengthening of managerial capacity was essential to the effectiveness of the United Nations system, the three delegations welcomed the Commission's work on the Senior Management Network; it was significant that it saw the value of the initiative. The pilot study on broad banding/reward for contribution was a step towards stronger, performance-based management of human resources, but the lack of feedback on the study was disappointing; the Commission's decision to make a comprehensive evaluation was therefore welcome. The three delegations found the Commission's efforts to improve its methods of work encouraging and looked forward to corresponding improvements in its work.

100. **Mr. Fermin** (Dominican Republic), speaking on behalf of the Rio Group, said that the Group reaffirmed the importance of the common system and the Commission's fundamental role in it. Since the staff was the common system's most valuable resource, care must be taken to establish the best possible conditions to attract the best-qualified recruits. The Group noted with interest the improved format of the report. The forthcoming comprehensive evaluation of the pilot study on broad banding/reward for contribution would be welcome, for it appeared that the study's findings were inconclusive. The Group noted the Commission's recommendations on improving language skills and would follow closely its efforts to improve its methods of work, which must not be allowed to affect the independence vital to the fulfilment of its mandate.

101. **Mr. Kovalenko** (Russian Federation) said that his delegation appreciated the volume of work done by the Commission on questions relating to the common system, in particular its informed reaction to the Secretary-General's proposal for the use of financial incentives to retain staff in the International Criminal Tribunals. His delegation endorsed the Commission's advice that such incentives were not appropriate. It also supported the Commission's decision to request a comprehensive evaluation of the pilot study of broad banding/reward for contribution, especially as some of the findings of the study were ambiguous. It was to be hoped that the Commission would be able to offer alternative proposals; further information on the way in which the study had been carried out would be welcome.

102. With regard to allowances and benefits, the Commission might have conducted a review of the practice and experience of national civil services and looked at the United Nations arrangements as a whole with a view to their possible modernization and simplification. His delegation noted the information on the maintenance of the United Nations/United States net remuneration margin within the limits set by the General Assembly, which required no decisions at the present stage. The Commission should continue to monitor the evolution of the Senior Management Network and alert the Member States to any move towards the creation of a separate category of personnel. It was not clear why the report discussed that matter in the section on conditions of service of the Professional and higher categories: the issue of possible exceptions with regard to conditions of service had long been closed.

103. His delegation welcomed the Commission's consideration of ways of strengthening its role and functioning and the formulation of a corresponding action plan. It had serious doubts, however, about the usefulness of issuing the report in the new format, which reduced its value as a work of reference and information.

104. **Mr. Kishimoto** (Japan) reiterated his delegation's support for the common system. He endorsed the Commission's recommendation on the level of the base/floor salary and commended it on its swift response on the question of the retention strategy in the International Criminal Tribunals. The recommendations on contractual arrangements and the harmonization of conditions of service should be considered by the Committee in detail at a later stage in the context of human resources management. The Commission's recommended guidelines on language incentives should not be adopted, for they might introduce a discriminatory factor into the recruitment and promotion procedures. His delegation hoped that the Commission would play a key role in guiding the organizations of the common system towards more effective management and it wished to participate in constructive discussions on how to meet any challenges encountered in that undertaking.

105. **Mr. Shen** Yanjie (China) said that his delegation had four specific comments on the effective work done by the Commission. Firstly, the Commission was to be commended on its efforts to solve the problem of staff retention in the International Criminal Tribunals within

the existing arrangements. Secondly, objective criteria reflecting the need for geographical and gender balance should be laid down in order to prevent selectivity in the appointment of the members of the Senior Management Network. Thirdly, the Commission was right to argue that the organizations of the common system should be allowed to retain their current flexibility of approach with regard to language incentives and requirements so that they could meet their differing operational needs; the proviso contained in paragraph 65 (i) of the report concerning the inclusion of a requirement of proficiency in more than one official language in vacancy announcements only if the operational mandate so required was very important. Fourthly, his delegation appreciated the Commission's efforts to improve its working methods and hoped that it would continue to play an important part in harmonizing the conditions of service in the common system and in the reform of human resources management.

106. **Mr. Rhodes** (Chairman of the International Civil Service Commission) said that the Committee's views constituted an important guide for the Commission. In the informal negotiations he would provide detailed responses to all the comments made and questions raised.

The meeting rose at 12.55 p.m.

United Nations A/C.5/62/SR.9

General Assembly
Sixty-second session

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Fifth Committee

Summary record of the 9th meeting
Held at Headquarters, New York, on Wednesday, 24 October 2007, at 10 a.m.

Chairman: Mr. Ali ..... (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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Agenda item 128: Programme budget for the biennium 2008-2009 (*continued*)

Capital master plan (*continued*)

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07-56065 (E)

The meeting was called to order at 10.20 a.m.

Agenda item 128: Programme budget for the biennium 2008-2009 (*continued*)

Capital master plan (continued) (A/62/5 (vol. V), A/62/281 (part I), A/62/364, and A/62/490)

1. **Mr. Park** Hee-kwon (Republic of Korea) said that his delegation appreciated the efforts of the Secretariat to expedite the capital master plan project in order to minimize the disruption of the work of the Organization. It was confident that the Executive Director of the Capital Master Plan and the construction manager, Skanska Building USA, had sufficient experience and expertise to move the project forward effectively. However, despite the progress that had been made and the Secretariat's efforts to solve the problems raised by the Board of Auditors and the fact that several risk factors would be mitigated by adoption of accelerated strategy IV, new uncertainties regarding the plan could arise as time went by.

2. His delegation would like to gain a clearer concrete sense of how the innovative technique of value engineering worked, for the Member States could not be expected to offer their trust blindly. There was no certainty, moreover, that value engineering was consistent with the Secretary-General's promise that the renovated Headquarters complex would be a model of energy-efficient architecture: long-term savings from energy efficiency must not be sacrificed to small savings on construction. More attention should be paid to staff safety and health, especially during the construction phase, and to the care and safety of visitors, who should continue to have the greatest possible access to United Nations activities during that phase. The Office of the Capital Master Plan should lead by example in the procurement process, and all bidding procedures must be fair and transparent. The Secretariat's decision to post all contract information on the relevant websites was therefore welcome. The Secretariat should redouble its efforts to secure private donations to lessen the financial burden on the Member States; it should produce a concrete plan for that purpose.

3. Since the Secretariat staff was a direct beneficiary of the implementation of the capital master plan, the relevant departments were urged to work actively with the Office, under the leadership of the Secretary-General, to propel the project forward, and the internal and external oversight bodies must continue their efforts to keep the plan on the right path. His delegation hoped that the total cost commitment made by the Secretary-General would be maintained and that the current uncertainties would be dispelled. Care and caution at the outset and steady oversight would give everyone the confidence to see what was a great act of "creative destruction" through to the end.

4. **Mr. Ren** Yisheng (China), while noting the achievements of the previous year, expressed concern that implementation of the capital master plan was lagging far behind the schedule approved by the General Assembly. Delayed implementation might result in an additional financial burden in excess of $200 million for Member States and, since the plan affected the safety of Secretariat staff, representatives of Member States and other visitors to the Headquarters complex and involved the vital interests of the membership as a whole, the Secretary-General had an obligation to do his utmost to ensure its timely implementation, in accordance with the mandate conferred upon him by the General Assembly.

5. The Advisory Committee on Administrative and Budgetary Questions had seen merit in the accelerated strategy IV proposed by the Secretary-General and therefore recommended its approval by the General Assembly. His delegation welcomed the Secretary-General's efforts and took the view that Member States should give serious consideration to the Advisory Committee's recommendation. The Secretary-General should now take effective measures to implement the relevant recommendations of the Board of Auditors and the Advisory Committee with a view to completing the project ahead of schedule in a safe and convenient manner. While it was vital to remain within the approved budget, savings identified as a result of the value engineering exercise should not compromise the quality of the work done. Lastly, procurement activities connected with the plan must be carried out in a transparent manner.

6. **Mr. Ng'ongolo** (United Republic of Tanzania), referring to paragraphs 5 and 6 of the Secretary-General's fifth annual progress report on the capital master plan (A/62/364), noted that, if the cost proposals submitted by the construction management firm under part B of its contract were rejected by the Secretariat, a new competitive bidding process would be undertaken. In that connection, he highlighted the importance of fair competition during such bidding

processes and enquired whether the possibility of reopening the bidding had been the subject of a risk assessment study.

7. According to paragraph 22 of the Secretary-General's report, the guaranteed maximum price contract awarded to the construction manager was being used on an experimental basis and had necessitated extensive technical, legal and financial reviews in order to safeguard the best interests of the Organization. He wished to know whether those reviews had been undertaken before the award of the contract.

8. He recalled that approval for the establishment of an internationally syndicated letter of credit had been given for two reasons: first, in order to offer potential contractors an assurance that funding for the plan was adequate to cover the cost of construction, and, second, to provide an alternative source of funding in the event of any disruption to the flow of assessments. In the latter case, the costs incurred as a result of borrowing from a bank would be met by those Member States that had caused the disruption. The working capital reserve had also been established for that purpose. The United Republic of Tanzania had opted for the one-time payment option in order to avoid the possibility of having to pay a surcharge for the use of the letter of credit, but it had now emerged that it had not been necessary to establish that letter. He therefore sought confirmation that the assurances given to the construction manager were credible. If so, he asked whether the working capital reserve was still necessary.

9. **Mr. Adlerstein** (Executive Director of the Capital Master Plan), responding to requests for additional information made by delegations, said that the associated costs covered a wide range of requirements, such as broadcasting equipment, furniture, removal and storage of gifts, storage space for gifts, and archive space and other storage facilities, as well as additional staff to manage the information and communications technology needs and administer the buildings and security matters.

10. The construction manager, Skanska Building USA, was contractually bound by the pre-construction services agreement to recommend which materials and services might be purchased internationally. The Office of the Capital Master Plan and the Procurement Division would work with the construction manager in developing procurement guidelines and processes to ensure that tender opportunities for the supply of such materials and services were extended to countries with developing economies or economies in transition. The Office would ensure that the processes incorporated appropriate levels of control and transparency, including the posting of invitations to tender and contract-award notices on websites.

11. The Office would do everything necessary to protect the Organization's works of art, and the renovated Headquarters buildings would provide a more suitable environment for them: the buildings would be rid of hazardous materials, and temperature and humidity would be much better controlled. The glass of the curtain walls would have properties kinder to works of art than the present glass. However, works of art housed in an operational facility required close supervision, and the Office would have to work with the Member States to determine long-term arrangements. The contract with the construction manager included the requirement that the works of art would be protected against any direct effects of the construction work, but any work of art was vulnerable to changes of temperature and humidity and to damage by fine particles. Over the coming year the Office would discuss each work of art individually with its donor: in some cases the donor might prefer to remove it temporarily; the "War" and "Peace" murals would have be protected in place; and decisions would have to be taken on those works of art which could not be moved easily.

12. The terms of reference of the advisory board had been drafted for approval by the Secretary-General. Board members would be selected on the basis of the criteria of geographical representation and the likelihood of their durability on the Board and of their experience of architecture, preservation of historical sites, financial matters, construction in New York City, project management, and construction management. The Board should be in place by the spring of 2008.

13. A number of possibilities for swing space had been evaluated, preliminary discussions had been held between the landlord of a particular building and a broker representing the United Nations, and other buildings had been discussed as backup locations. The discussions would be concluded following the decision by the General Assembly on the Secretary-General's proposals on accelerated strategy IV.

14. Value engineering meant reviewing the objectives and the actual design of the project and finding ways of attaining the objectives at lower cost. It was usually required at several points in a project because it was difficult to estimate costs accurately until the design work was at an advanced stage; it was always needed at the plan's current stage of advanced design. One of the key components of the construction manager's pre-construction responsibilities was to make value-engineering recommendations. In conjunction with all the design teams, the construction manager was currently examining the design objectives and the systems which were being planned in order to find savings by way of different routing, simpler equipment, avoidance of temporary work, less demolition, less expensive placement of equipment, changes in equipment to reflect market conditions, and changes in specifications which might expedite the construction process. Most of the changes were likely to be in the heating, ventilation, air-conditioning, electrical and plumbing systems. The Office would ensure that the standards of and expectations for the facility kept pace with the new thinking and that costs were not inadvertently increased owing to outdated expectations; one of the benefits of having a construction manager on board was to help the Office to keep abreast of innovations in industry practice. Changing to a simpler and shorter schedule under accelerated strategy IV would not only provide a cost saving in itself, but would also open the door to other simplified design concepts which avoided cost by avoiding the need for temporary work.

15. As of 22 October 2007, all 19 temporary positions in the Office were occupied, and there were eight support posts in other departments.

16. Turning to the matters raised by the Board of Auditors, he said that a geotechnical investigation was in progress on the North Lawn to determine subsurface conditions for the purpose of designing the foundations of the temporary conference building. A recently completed survey had identified the location, to a quarter of an inch, of the underground building in relation to other site features, and had provided additional site information needed for the design of the foundations. Scaffolding was to be erected in a few days' time to determine the exact condition of the stone anchors on the façade of the Secretariat building.

17. **Mr. Sach** (Controller), replying to questions raised by the representative of the United Republic of Tanzania, said that the issue of the credibility of the financial assurances given to the construction manager had two elements which must be kept separate: whether the overall cost estimates were credible and whether the working capital reserve and the letter of credit were needed. In paragraph 53 (c) of his report, the Secretary-General reiterated his commitment that the budget would remain at the authorized level. The Secretariat had no doubts at present that the project would be brought to completion within budget. The working capital reserve and the letter of credit had not yet been used but they would remain in place throughout the project to ensure that the construction manager had a sufficient supply of funds to pay vendors in the event that the payment of assessed contributions by Member States was slow or uneven. The likelihood of needing to draw on the working capital reserve and the letter of credit would increase over time. The system of specific projects referred to in paragraphs 6 and 7 of the Secretary-General's report was new to the United Nations but not in construction circles in New York City.

18. At the preceding meeting the representative of Pakistan had correctly pointed out that the last word in paragraph 48 of the report should be "mandate" not "recommendation"; a correction would be issued.

19. **Mr. Afifi** (Egypt) said that most of the additional information and answers to questions just given by the Executive Director and the Controller merely told the Committee what it already knew.

20. The question about associated costs was concerned not with the source of such costs but with the reasons why they had not been calculated until now. The question on the advisory board was not about its composition and the appointment of its members but about the reasons why it had not been established at least a year earlier. With regard to swing space, the question was not how much space but the extent to which it was guaranteed — a crucial element of the whole project. The point about value engineering was why, if savings were possible, they had not been brought forward earlier, during the budget discussion in 2006.

21. The question about technical surveys raised by the Board of Auditors was concerned with the reasons why such surveys had not been conducted earlier and the extent to which they would increase costs and delay the implementation of the project. The commitment in

paragraph 53 (c) of the Secretary-General's report, mentioned by the Controller, went without saying, for no such assurance was needed. The question was how the Secretary-General would ensure that the project remained within budget.

22. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, enquired whether value engineering was a recent concept and whether the decision to pursue a value engineering exercise had been taken by the construction management firm or by the Administration. He also wondered why the Secretariat was unable to provide assurances that that exercise would lead to a reduction in the overall cost of the project.

23. Recalling the serious concerns expressed by the Board of Auditors about the lack of internal controls to ensure compliance with General Assembly mandates, he pointed out that the Administration was primarily responsible for the failure to implement the capital master plan because it had been insufficiently responsive. The Secretariat did not appear to take its failings very seriously, and he wished to know whether it had any plans to introduce new internal control systems and accountability mechanisms to ensure that past mistakes were not repeated.

24. Member States also needed concrete assurances that the new accelerated strategy, if approved, would not collapse at some point in the future and that it would not be the subject of constant revisions. In the worst case scenario, he asked who would be held accountable for cost overruns.

25. Lastly, while the Group of 77 and China understood the need for the working capital reserve, it would like to know whether it would be possible to dispense with the letter of credit once it became clear that the project could be fully funded through assessed contributions from Member States.

26. **Mr. Adlerstein** (Executive Director of the Capital Master Plan), responding to the questions raised by the representative of Pakistan, said that, far from being a new concept, value engineering had been standard practice in the construction industry for decades. During the pre-construction phase of any project, it was usual to revisit the costing parameters with a view to identifying potential savings, and the Administration had always intended to conduct such an exercise in respect of the capital master plan. Every effort would be made to ensure that the budget for the plan remained as lean as possible, and any opportunity to bring the total cost of the project down to below the approved level would be pursued.

27. The Board of Auditors had not expressed concern about a lack of internal controls. Rather, it had highlighted a failure to take certain decisions in a timely manner, and steps were currently being taken to expedite the decision-making process in key areas.

28. The award of the construction management contract to Skanska Building USA had been a major milestone in the implementation of the capital master plan. Once the value-engineering exercise was completed, construction activities would begin, and once construction was under way it would be prohibitively expensive to backtrack. Accordingly, while the plan might undergo minor revisions, there would be no more major changes.

29. The letter of credit was not mentioned in the construction management contract because Skanska was satisfied that the funding mechanisms for the project were adequate. No costs had been incurred as a result of the establishment of the letter of credit because it had not been required. However, it would still be possible to use the letter if circumstances changed.

The meeting rose at 11.10 a.m.

United Nations A/C.5/62/SR.10

General Assembly
Sixty-second session

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Fifth Committee

Summary record of the 10th meeting
Held at Headquarters, New York, on Thursday, 25 October 2007, at 10 a.m.

Chairman: Mr. Ali ..... (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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Agenda item 128: Proposed programme budget for the biennium 2008-2009 (*continued*)

Introduction of the proposed programme budget for the biennium 2008-2009

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07-56367 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 128: Proposed programme budget for the biennium 2008-2009 (*continued*)

Introduction of the proposed programme budget for the biennium 2008-2009 (A/62/6 (Introduction) and Corr.1, A/62/6 (Sect. 1-3), A/62/6 (Sect. 4) and Corr.1, A/62/6 (Sect. 5-7), A/62/6 (Sect. 8) and Corr.1, A/62/6 (Sect. 9-11), A/62/6 (Sect. 12) and Corr.1, A/62/6 (Sect. 13-18), A/62/6 (Sect. 19) and Corr.1, A/62/6 (Sect. 20-22), A/62/6 (Sect. 23) and Corr.1, A/62/6 (Sect. 24) and Corr.1, A/62/6 (Sect. 25-28), A/62/6 (Sect. 28A) and Corr.1, A/62/6 (Sect. 28B) and Corr.1, A/62/6 (Sect. 28C) and Corr.1, A/62/6 (Sect. 28D), A/62/6 (Sect. 28E) and Corr.1 and Corr.2, A/62/6 (Sect. 28F), A/62/6 (Sect. 28G), A/62/6 (Sect. 29) and Corr.1, A/62/6 (Sect. 30-35), A/62/6 (Income Sect. 1-3), A/62/7 and Corr.1, A/62/16 (Chap. III B), A/62/80 and Corr.1-3, A/62/91, A/62/229 and A/62/349).

1. **The Secretary-General**, introducing the proposed programme budget for the biennium 2008-2009 and related reports, said that he expected the year ahead to be among the most challenging in the Organization's history. He was confident that the United Nations could also make it one of the most successful. Its work began in earnest with the proposed programme budget of $4.2 billion, which was broadly in line with what the General Assembly had approved. It represented real growth of $23 million over the previous biennium, or half a percentage point. That was not much, considering the demands upon the Organization. Member States had only to think of what the coming year would bring: Darfur peace talks opened the following weekend in Libya, in advance of yet another major peacekeeping deployment. The Organization faced difficult diplomatic and security challenges in the Democratic Republic of the Congo, Lebanon, Myanmar and Somalia, to name but a few. There were longer-term challenges as well: alleviating global poverty, especially in Africa, ongoing humanitarian crises, human rights violations and the global fight against climate change and HIV/AIDS.

2. Never had the world so needed a strong United Nations. Yet never had the Organization's resources been stretched so thin. As Chief Administrative Officer, he was committed to doing everything in his power to strengthen the Organization so that it could do the job expected of it. That required careful fiscal management, balancing varied and often conflicting priorities, and change from within to make the United Nations faster, more flexible and more efficient in delivering better results with the limited assets at its disposal.

3. In doing all that, the Organization needed to bear in mind the fundamental principle that there was an unbreakable link between peace, human rights and development — the three pillars of its work. It was not possible to have one without the others. They went hand in hand as part of an organic whole and if the Organization lost sight of that fact, it could not hope to achieve its goals.

4. The year 2007 offered immense opportunities for building a stronger United Nations for a better world and the Fifth Committee held the key to the Organization's transformation. The importance of a strong, empowered Secretariat was well understood; it needed to be pragmatic, accountable and focused on results, while representing pride and excellence in serving the global public good. In order to deliver on that vision, the Organization must modernize itself and think afresh about its work and how to get it done.

5. The Organization had already begun the difficult work of institutional strengthening and reform and had reorganized its worldwide peacekeeping operations. It was now time to turn its attention to conflict prevention and peacebuilding, with special emphasis on Africa, Asia and the Middle East, and to rethink its approach to preventive diplomacy. The Organization should exploit to the fullest its potential for good offices and international mediation in the broadest spirit of the Charter.

6. As the Committee well knew, dealing with the aftermath of war was costly. Too many lives were needlessly lost, often as a result of the international community's inability to act early enough. Economies were ruined and hopes for development dashed to no purpose. Strengthening the Organization's capacity to step in and to resolve conflicts earlier rather than later was among the smartest investments the Organization could make.

7. He called upon Member States to support his plan for strengthening the Department of Political Affairs by authorizing $18 million for that purpose. He was pleased to report that the proposed budget included

stable funding for the newly created Peacebuilding Support Office, as mandated by the General Assembly and the Security Council.

8. The link between security and development was clear and peace was the child of their union. Issues of economic advancement and social equity could not be geopolitical afterthoughts.

9. As Member States knew, the Organization was at the midpoint of its 2015 timeline for achieving the Millennium Development Goals. Millions of people looked to the United Nations for a better, healthier and more decent future. The scale of its programmes was impressive by any measure. Over the previous decade, tremendous progress had been achieved in shifting the United Nations from too heavy a focus on security to a broader development agenda. Even though the annual value of contributions to the various United Nations agencies and programmes, which were largely extrabudgetary, currently totalled more than $15 billion, the Organization clearly still had far to go.

10. He expected the Millennium Development Goals Africa Steering Group to help set the agenda. Many international commitments had been made at places like Gleneagles and Heiligendamm, but it was time to move beyond promises and put up the money for those in need.

11. That was not to say that the United Nations should do what developing nations could — and should — do on their own. But the ways of providing aid and development assistance should be adapted to new realities. South-South cooperation, for example, had emerged as a new force in international economics. Developing countries currently accounted for nearly 40 per cent of global exports, and about 50 per cent of that trade was among themselves. Some countries in the South had even emerged as new donors.

12. That was immensely promising and he would therefore seek to reinforce the Organization's work on South-South issues, with the full involvement of the Department of Economic and Social Affairs, the United Nations Conference on Trade and Development and the regional commissions. The Organization needed to bolster its research and monitoring capabilities, particularly in tackling the problems of the world's "bottom billion", those left behind by global economic growth. It must devote special attention to the needs of the least developed, landlocked and small island nations and he proposed to reorganize the Secretariat to better serve their interests. The Organization must help them develop, so that they too could enjoy a greater measure of peace and prosperity, which was their human right.

13. The year 2008 would mark the sixtieth anniversary of the Universal Declaration of Human Rights and he noted with pleasure that the proposed programme budget reflected the decision by Member States to double the resources earmarked for human rights. It was time, however, to think more expansively about traditional definitions of human rights, including the responsibility to protect, and to speak out. Development was a human right, and one that was integral to the Organization's moral mandate.

14. The Organization had focused on its three pillars — development, peace and security, and human rights. But those pillars could only stand as strong as their foundation and Member States must ensure that the foundation was firm and well-maintained. He was of course referring to issues of management and reform.

15. Reform was a process, not a one-time project and it needed the continuing support and mutual trust of Member States. As suggested by many Ambassadors, he would continue to engage with the general membership on the reform of the Department of Political Affairs, the Department of Economic and Social Affairs and other departments.

16. He also agreed that the Secretariat should continue to streamline and rationalize its work in order to avoid duplication and save costs. The Organization needed to be faster, more flexible and more modern and it must place results before process. That required the streamlining of rules and work patterns, in line with the best public and private practices.

17. To that end, he had set up a new internal change-management task force whose work would focus on human resources, budget and finance, and procurement. The goal was to consolidate rules in each area according to clear criteria — simplification, rationalization, transparency and accountability. To the extent that real improvements required legislative changes by the General Assembly, the Secretariat would prepare recommendations accordingly.

18. The proposed programme budget also provided for stiffer internal oversight. The Fifth Committee was already considering proposals for a comprehensive

revision of the United Nations system of administrative justice. The vital work of the Procurement Task Force must be extended for another year, even as the Organization worked towards more permanent independent auditing and investigative capabilities. New accounting practices set forth under the protocols of the International Public Sector Accounting Standards would soon be adopted.

19. To be more responsive and nimble in meeting the changing demands of today's global environment, the United Nations must better manage its human resources, which were its most vital asset. An internal climate change was needed at the United Nations. It must build a more skilled and mobile workforce. Too often, the Organization remained constrained by rules and regulations anchored in a vanished past, particularly those governing contracts and conditions of service that were difficult to administer and no longer served its needs. Streamlining those arrangements would boost efficiency, flexibility and equity in the workplace.

20. The United Nations would shortly embark on perhaps the most outwardly visible of all its rejuvenation efforts, namely the physical renovation of the United Nations Headquarters. Under the capital master plan, the United Nations would "go green" — carbon-neutral and energy-efficient. The plans were completed and work was poised to begin in the fall of 2008. It would be a fitting symbol of all that could be accomplished together.

21. Considerable work had gone into the proposed programme budget. Over the previous 10 months, he had paid careful attention to the mandates that had been entrusted to the Organization and had updated programmes, where necessary. The proposals before the Committee reflected strict budgetary discipline, balancing growth in some areas with reallocations in others.

22. He would also be separately submitting a number of initiatives considered important by Member States. Some involved add-ons to the budget, including the plans to which he had referred earlier for a revamped, more responsive and professional internal justice system, as well as a detailed proposal for an integrated global resource management system (enterprise resource planning) and certain human resources reforms. Before the end of the year, he would also submit a series of reports on frameworks for accountability, enterprise risk management, and results-based management.

23. The proposed programme budget was not only a financial document but also a compact of understanding between the Secretary-General and Member States. It detailed in concrete terms how the goals of the United Nations could be achieved and how the Secretary-General intended to exercise the authority entrusted to him by the Member States. He looked forward to full partnership and teamwork with Member States and to their guidance and advice. It was time to begin work.

24. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related reports (A/62/7 and Corr.1 and A/62/349), said that the Secretary-General's proposals for 2008-2009 reflected a real growth of 0.5 per cent. The Advisory Committee noted, however, that new posts proposed for 2008-2009 would have an estimated delayed impact of over $34 million in subsequent bienniums and recommended that future budget proposals should include that information, in the interest of greater transparency.

25. The proposed programme budget did not include provision for a number of significant items of expenditure, such as the establishment of a new system of administration of justice and preparedness measures for an influenza pandemic. The Committee was awaiting further proposals relating to business continuity and disaster recovery, a new enterprise resource planning system and resolutions adopted by the Human Rights Council. It understood that other proposals might also be forthcoming.

26. While it might not always be possible to fit new initiatives within the biennial cycle of the regular budget, the proposed programme budget should present the fullest possible picture of the Organization's requirements for the coming biennium. The piecemeal approach evident in the budget for 2008-2009 undermined the budgetary system and budget discipline. The Advisory Committee wished to recall the provisions of General Assembly resolutions 41/213 and 42/211 and that, in its resolution 61/254, the Assembly had decided that the level of the contingency fund for the biennium 2008-2009, within which additional requirements should be accommodated, would be $31,460,500.

27. The Advisory Committee had noted a consistent bias for upward rather than downward reclassification of posts and was not convinced that sufficient efforts were being made to meet new and emerging needs through redeployments rather than new posts. It continued to believe that there should be systematic efforts to foster deeper cooperation and coordination across the United Nations with a view to bringing about synergy, enhancing complementarity and removing avoidable redundancies.

28. In the biennium 2004-2005, over 70 per cent of total regular budget expenditure had been related to salaries and common staff costs, which underlined the importance of human resources management issues, a topic which the Advisory Committee would report on separately at the current session and which would be the focus of attention in 2008. The Advisory Committee would also be reporting separately during the current session on the administration of justice and, when the related documentation was received, on information and communications technology.

29. The Advisory Committee's report contained a number of conclusions and recommendations concerning non-post objects of expenditure in the proposed programme budget. It also contained, in annex V, details of expenditure by section — actual figures for 2004-2005 and from 1 January 2006 to 31 May 2007 and estimates for the balance of 2007 and for 2008-2009. The Advisory Committee had also requested that an updated statement should be provided separately for the Fifth Committee's consideration of the proposed programme budget and would reflect any further views in the context of its second performance report.

30. The Advisory Committee recognized the importance of extrabudgetary resources in the funding of United Nations activities and had included related information in its report. It also emphasized the need to continue improving the information made available to Member States when they reviewed proposed programme budgets.

31. To assist Member States in reviewing the Secretary-General's proposals, the Advisory Committee had made a number of recommendations concerning improvements in the format and presentation of information in future budget proposals. In that context, it reiterated its concern at the continuing chronic late submission of documentation by the author departments and its adverse impact on the work of the General Assembly and of the Advisory Committee itself.

32. The Advisory Committee's detailed recommendations as outlined in its report entailed reductions in the proposed programme budget totalling $11,551,600.

33. Introducing the Advisory Committee's related report on the review of the experience of the utilization of the contingency fund (A/62/349), he noted that increasing the fund to accommodate all potential additional resource demands for 2008-2009 would not contribute to budget discipline, as envisaged in the relevant provisions of General Assembly resolutions 41/213 and 42/211. The procedures for fixing the level of the contingency fund had been set up by the Assembly in those two resolutions, which established the current system of planning, programming and budgetary governance of the Organization. Those arrangements had stood the test of time and there was no evidence they needed to be revised.

34. **Mr. Amil** (Pakistan), speaking on behalf of the Group of 77 and China, said that the General Assembly played a central role in the analysis and approval of posts and financial resources, human resources policies and the allocation and reallocation of resources to all sections of the programme budget with a view to ensuring full and efficient implementation of all mandated programmes, activities and policies.

35. The budget document should present a comprehensive picture of all mandated activities along with all the resources, including the total post and non-post requirements that Member States needed to approve. The resources requested in the programme budget should conform to the legislative mandates established by the principal and subsidiary organs. A piecemeal approach undermined the budgetary process and budget discipline and made it difficult for Member States to determine resource requirements for priority activities.

36. The regular budget document was not merely a financial and accounting tool to secure core resources for the Organization. It was an authoritative statement that should adhere to legislative mandates and to the provisions of the Charter and should reflect the Secretary-General's strategic vision for delivering the mandates established by the Member States. The Group agreed on the need for further improvements in the

presentation of the budget, particularly with respect to the full cost of budgetary proposals for each section. Efforts should also continue to identify each programme's specific objectives and expected accomplishments.

37. The Group remained concerned at the implementation of zero nominal real growth in the resource level of the budget, without any formal decision by the General Assembly. That practice, which was desired by only a few Member States, severely constrained the Organization's capacity to implement all mandated programmes and activities. The Group was concerned that the real increase of 0.5 per cent in the budget level over the previous biennium would adversely impact the implementation of all legislative mandates approved by Member States, particularly the development mandates. Given that the Advisory Committee had already recommended a reduction of approximately $11 million, further cuts were inadvisable. The Group might also put forward proposals for additional resources for programmes that were of critical importance from its perspective.

38. The budget should accurately reflect the priorities identified by Member States in the areas of development, peace and security, and human rights. While the budget programme proposed a considerable increase in the resources for certain sections, only a nominal increase of 0.5 per cent was proposed for the development budget. The proposal to allocate additional resources to the Department of Political Affairs and the Department of Peacekeeping Operations for conflict prevention reflected a strategy that focused on merely curing symptoms. If the relevant departments were not granted the resources needed to address the underlying causes of the conflicts, such as poverty and underdevelopment, the larger objective of peace and security might also be jeopardized.

39. The 2005 World Summit had reaffirmed the Organization's central role in promoting development, but the United Nations had failed to honour its commitments. The Group was gravely disappointed at the lack of any meaningful increase in the development budget, particularly in light of the development-related events scheduled for 2008. It was also concerned about efforts to consolidate activities within the United Nations system, which diminished their development component.

40. Increasing the Organization's capacity to fully implement the development agenda was a major priority for the Group of 77 and China whose ministerial declaration of September 2007 called for an end to the Organization's systemic discrimination against development. The Group requested the Secretary-General to strengthen the Organization's the development and economic machinery, particularly the Department of Economic and Social Affairs, the United Nations Conference on Trade and Development (UNCTAD) and regional commissions, and to submit proposals for the allocation of adequate resources for the enhancement of development-related programmes in the current budget. Efforts should also be made to strengthen the Organization's analytical work in areas where its capacity had diminished.

41. The Group would carefully consider the proposals for additional resources for the Department of Political Affairs, the internal justice system, an enterprise resource planning system, and for the implementation of decisions of the Human Rights Council. It had serious questions about the administration and budgeting of the special political missions and urged the Organization to develop well-defined policies for efficient and accountable management and proper scrutiny of their budgets and performance.

42. The Group noted the efforts to improve performance and output, particularly the integrated global management initiative by the Department of General Assembly and Conference Management. The Department must ensure quality interpretation and translation, full servicing of all meetings, including those of large political groups such as the Group of 77 and China, the Non-Aligned Movement and regional groups at all duty stations, timely presentation of documentation in the six official languages and high-quality printing and publishing.

43. The Department of Public Information had an important function which transcended damage control in scandals and needed to improve its performance in disseminating the Organization's achievements in all fields. It should revitalize its role in promoting the image of a vibrant Organization and a central forum for promoting effective multilateral solutions to multifarious global challenges.

44. The Group noted that the majority of the 220 new posts in the proposed programme budget were

concentrated in programmes for political affairs, international justice and law, the Office of Internal Oversight Services (OIOS) and human rights and humanitarian affairs. It remained concerned that staff recruitment lacked transparency and accountability as well as a balance between developed and developing countries. The Group attached great importance to equitable geographic representation in all recruitment and in the rotation of senior positions among the Member States. It also urged the Organization to recruit a higher number of female representatives from developing countries. The Secretary-General should make full use of human resources action plans, compacts, performance evaluations of programme managers, and central review bodies to achieve those objectives. Another matter of concern was the continuing disregard for the relevant regulations in the hiring of consultants.

45. The Group noted the proposals for new senior-level posts in departments dealing with peace and security and human rights and would examine them in the context of their functional justification and impact on improving the geographic representation of developing countries. Particular attention should be given to rebalancing the geographic representation in certain offices, as noted by certain oversight bodies. The Group would appreciate further information regarding the appointment of the Under-Secretary-General for Field Support, a post that should be filled by a candidate from a developing country.

46. In 2006, the General Assembly had approved additional resources to improve governance, management and procurement and the Group was awaiting the report on the implementation of the approved reforms. One of the key objectives of the procurement reforms should be an increase in procurement opportunities for developing countries. To protect the Organization's reputation, the lacunae in the vendor registration and bid protest systems and in implementation of the relevant rules and regulations should be addressed.

47. The Group attached great importance to the implementation of a new independent, decentralized and professional system of administration of justice, in accordance with General Assembly resolution 61/261. Full implementation of the road map, as envisaged in that resolution, would also propel the ongoing human resources management reforms.

48. Effective accountability and oversight required accountability frameworks and strengthened internal and external oversight institutions. The Group looked forward to the Secretary-General's long-awaited reports on the accountability frameworks. It supported the operational independence of OIOS and the provision of adequate resources through the established budgetary process. OIOS must recruit highly professional staff from developing as well as developed countries in order to ensure equitable geographic representation. In appointing staff, OIOS should comply with the decisions of the General Assembly and avoid shifting them to its own priorities.

49. Appropriate incentives were needed to reduce the high vacancy rates in many duty stations. A post or vacancy represented a function and failure to fill that vacancy should not be used as an excuse for refusing new posts for different functions.

50. Future programme budget proposals should contain concrete and more consistent information on efficiency gains and service improvements resulting from implementation of the recommendations of evaluation and monitoring bodies. The Group was particularly concerned that the efficiency gains achieved over previous bienniums had not been diverted to the Development Account, as stipulated in paragraph 24 of General Assembly resolution 52/12 B, but had been used by the programme managers for their own priorities.

51. The Group noted the proposed discontinuation of 2,111 outputs in 2008-2009, the majority of which related to economic and social affairs and regional cooperation for development. Rule 105.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME) should be respected and the Committee for Programme and Coordination fully involved in the process. The Group endorsed the Advisory Committee's observation that the information on the outputs would have been more useful if any links to proposed new outputs had been identified or, where there were none, if attempts had been made to identify resources released and made available for redeployment.

52. Every effort should be made to enhance the training opportunities and hiring of trainers from developing countries. Moreover, resources for training

should be allocated fairly among programmes and duty stations in order to ensure that the Organization derived full benefit from those efforts. Additional information on the allocation of resources to language and other training programmes would be appreciated.

53. The Group trusted that the additional resources and capacities requested for information and communication technology would be fully integrated in the future enterprise resources planning system and hoped that the system would deliver the promised goal of improved transparency and accountability of programme implementation.

54. The bulk of extrabudgetary resources, which amounted to approximately $6.6 billion, was earmarked for a variety of support, substantive and operational activities, mostly at the field level. Because of the so-called zero nominal growth principle and since salaries and common staff costs accounted for 80 per cent of the regular budget, it was necessary to rely on extrabudgetary resources. The fact that those resources were regularly reflected in the budget document confirmed that they were critical for the Organization's operational activities, thus reinforcing the need for enhancing the regular budget. The approval procedures, reporting requirements and accountability mechanisms of extrabudgetary resources often lacked transparency and the Group therefore proposed that the role of the Board of Auditors and information on the activities and posts financed from extrabudgetary resources should be included in the performance reports. The recruitment of junior Professionals using extrabudgetary resources should also reflect an equitable geographic representation and not be used to increase the representation of donor countries in the Secretariat.

55. The current status of the Development Account was unacceptable. No additional money had been allocated to the Account and there had been no diversion of savings or efficiency gains. Given that the current framework was not practical, the Group sought a tangible increase in the Account during the current session, through additional appropriations.

56. Regional commissions played an important role in implementing the development agenda and should therefore receive adequate resources to implement core mandates, without undue dependence on extrabudgetary resources. Resources, moreover, should be fairly allocated among the four United Nations duty stations and the regional commissions. The Group welcomed the resources for strengthening the Economic Commission for Africa and the United Nations Office at Nairobi and looked forward to the strengthening of other regional commissions and United Nations offices in developing countries. The Organization needed to improve conference services in Nairobi and reduce high vacancy rates by offering concrete incentives. For their part, the regional commissions needed to carry out reforms to achieve an effective implementation of allocated resources.

57. The Group supported the provision of equal quality of service to all organs of the United Nations and remained concerned that the work of the Security Council continued to be given priority over that of the Main Committees of the General Assembly, intergovernmental bodies and regional groups.

58. The Group reaffirmed the role and mandate of the Committee for Programme and Coordination, in accordance with the PPBME and relevant General Assembly and Economic and Social Council resolutions, and remained concerned that some budget sections had not been submitted to the Committee for Programme and Coordination for consideration. Introductory parts of the budget sections must contain information on revised or new mandates and the narratives of all sections and subprogrammes should be presented, in accordance with General Assembly resolution 58/269. The Secretariat was expected to fully abide by regulation 4.5 and rule 104.4 of the PPBME.

59. The Group welcomed the Advisory Committee's first budget report, but noted that some of its observations and recommendations did not fall within its mandate or did not take into account the Assembly's mandate and the provisions of the Charter. The Advisory Committee needed to improve its working methods and prioritize its consideration of reports. The Group supported a review of the conditions of service of Committee members as well as the recruitment of additional staff.

60. The contingency fund should be saved for its original purpose, as set forth in General Assembly resolutions 41/213 and 42/211, and used for unforeseen expenses, not for expenses relating to the reform of the United Nations. Such practices undermined financial discipline and limited Member States' ability to establish and implement new mandates.

61. Negotiations on the proposed programme budget should be open, transparent and inclusive. Working out details in small groups or leveraging assessed contributions to impose reforms that did not enjoy broad support disrupted the normal budget process. Such practices had been counterproductive in the past and had led to mistrust and polarizations among Member States. The Group would take a constructive approach to the budget negotiations, with a view to strengthening the Organization and promoting harmony among its Member States.

62. **Mr. Salgueiro** (Portugal), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Montenegro and Serbia; and, in addition, Georgia, Liechtenstein, Moldova and Ukraine, said that the proposed programme budget was a strategic instrument of the utmost importance. The full implementation of mandates in the light of the principles set out in General Assembly resolution 60/1, including the reform mandates, was a vital matter for the Organization. In examining the Secretary-General's budget proposals, the European Union would be guided by the need to provide adequate funding for the implementation of all mandates, the promotion of sound management and strict budgetary and fiscal discipline, the effective use of resources, and a results-based approach.

63. The budget proposals represented a very modest increase over the revised appropriation for the current biennium, but less so if compared with the budget agreed in December 2005. Nor did the total figure of close to $4.2 billion show the full cost of the activities to be financed under the regular budget during the current session, since it did not include recosting and a number of activities currently under consideration by the General Assembly or the statements of programme budget implications likely to emerge from the decisions of the Main Committees. The final figure might be close to $4.8 billion, a very substantial increase which could not be underwritten in its entirety but must be examined in the light of budgetary constraints and cost-effectiveness. The European Union was, collectively, the largest contributor in terms of assessed contributions and it expected the United Nations to exercise the same budgetary discipline as its Member States. Of course, a large part of the increase was due to inflation and exchange rate fluctuations beyond the Secretary-General's control.

64. The Secretariat deserved commendation for presenting a full and transparent picture of the total amounts, but some of the add-ons could have been included in the initial submission, while others could not be justified by reference to standing mandates and would have to be prioritized. The Advisory Committee was right to argue that such a piecemeal approach undermined the budgetary system and budgetary discipline. The budgetary process set out in General Assembly resolutions 41/213 and 42/211 should be followed in the future.

65. The application of fiscal discipline to the financing of new activities implied serious consideration of redeployment and a search for cross-cutting economies. The best approach was to expand the budgetary debate to include a scrutiny of recurrent expenditures. The European Union would seek the Secretariat's cooperation in that regard. There was also merit in striving for proper use of results-based management. The imminent budget negotiations would relate not only to the current proposal but also to all the other proposals to be included in the final revised appropriation, which must be kept to a manageable figure.

66. **Mr. del Rosario Ceballos** (Dominican Republic), speaking on behalf of the Rio Group, said that the volume of mandated expenditures, in addition to the needs of peacekeeping, the international tribunals and other budget-dependent activities, meant that the total amount of the proposed budget must be very carefully managed, with emphasis on accountability mechanisms. The Organization's priorities and mandates should be implemented in an effective and balanced manner in the three main areas of peace, development and human rights. It was worrying that the budget proposals did not represent the total requested resources and would be followed by a series of additional requests. That type of budgetary practice was unsound and future budget proposals should be comprehensive.

67. The Rio Group would pay special attention in the budget negotiations to political affairs, disarmament, peacekeeping operations, and economic and social affairs, including the Permanent Forum on Indigenous Issues, the fight against hunger and poverty, trade and development, the environment, the work of the

regional commissions, human rights and humanitarian assistance. The budgetary neglect of certain topics over the years was regrettable. The situation of the members of the Rio Group, all of them developing countries, demanded the urgent strengthening of programmes aimed at improving the living conditions of their peoples. Programmes of international and regional cooperation for development, in which the Economic Commission for Latin America and the Caribbean (ECLAC) and the regular programme of technical cooperation played a key role, were particularly important. The Rio Group welcomed the establishment of a Women and Development Division within ECLAC, but regretted that the proposed allocation for the Development Account, another matter of importance for the developing countries, had not even been adjusted for inflation and exchange rate fluctuations and represented only an inadequate 0.34 per cent of the total regular budget for the biennium. The Rio Group had been obliged to accept a number of proposals in the current budget in order to ensure that the Secretary-General had the resources necessary for the proper functioning of the Organization. Among them had been the use of the failed procedure for filling the vacancy in the Permanent Forum on Indigenous Issues. It would like to have from the Secretariat an explanation in writing of the reasons for the failure to fill that vacancy. It would also welcome an account by the Forum of the difficulties which that situation had caused.

68. The piecemeal presentation of the Secretary-General's reform proposals impeded any comprehensive analysis. What was needed was an integrated approach which covered the restructuring and strengthening of the entire development architecture. It should be noted that the only reform measure carried out in recent years had been the reorganization of the Economic and Social Council, from within existing resources. Since its staff was indeed the Organization's most valuable asset, the efficient management of human resources, including equitable geographical representation, was vital. The Rio Group would like to have a list of the nationalities of all staff members in the Executive Offices of the Secretary-General and Deputy Secretary-General. It was particularly interested in the representation of Latin American and Caribbean countries.

69. Efforts must continue to promote among all staff members a culture of continuous learning and to reinforce the capacity to manage change. In addition, a gender perspective should be incorporated in all sections of the budget and sufficient resources allocated to meet the institutional objectives of gender equality, with special emphasis on women from developing countries. Efforts to combat fraud and corruption in the Organization must also continue. In that connection, the Rio Group had always supported measures to promote transparency and institutional integrity.

70. The Rio Group was of the view that all the statements of programme budget implications should be taken up together and their impact considered as a whole. It also shared the Advisory Committee's view that its secretariat should be strengthened in light of its increasing workload and the diversity and complexity of the questions which that body was called upon to consider.

71. The Rio Group would work constructively to fashion a budget proportionate to the Organization's needs, priorities and mandates. It hoped that a recurrence of the regrettable experience of the negotiations on the programme budget for the current biennium would be avoided.

72. **Mr. McNee** (Canada), speaking also on behalf of Australia and New Zealand, said that the Secretary-General's assumption of office had coincided with an intensification of the expectations of Member States. He could count on the cooperation of the three delegations in ensuring that the Organization was equipped to discharge its responsibilities in an efficient and accountable way.

73. The budget proposal contained few surprises. It gave effect to earlier decisions of the General Assembly and much of the "action" was to be found not in the budget document itself but in a stream of parallel proposals. The three delegations shared the concern expressed by the Advisory Committee about the piecemeal approach to the formulation and consideration of the budget, which undermined budget discipline, obscured the full requirements and made it more difficult for Member States to prioritize the allocation of resources.

74. Another matter for concern was the growth of the budget. The budgets for all the accounts subject to assessment would be close to $9 billion for 2008, and increases in the regular budget were higher than the totals that had been presented. The three delegations

would work with others to contain the proposed growth in the budget by identifying outdated activities and examining the scope for absorption of new requirements. Public support for spending on such a large scale hinged on confidence that the funds were used for the intended purposes. While progress had been made in developing policies and structures to support ethical conduct and integrity, independent oversight and personal accountability, early action was needed to strengthen internal controls and internal oversight and to improve the procurement regime and the identification and management of risks.

75. The delegations on whose behalf he spoke recognized that effective improvement of management could require additional resources, not least because the United Nations had sometimes underinvested in people and systems. In the absence of identifiable gains in efficiency and productivity, however, the appetite for increased expenditure in the name of management reform would diminish.

76. With regard to the presentation of the budget itself, the Organization must move beyond the practice of incremental budgeting in which justification was provided only for new resources. The budget base itself must be examined to determine whether programmes and activities were still relevant, and the budget document must reflect that examination. There was no other way of establishing that the possibilities of responding to new needs by redeployment of existing resources had been exhausted.

77. Transparency and accountability must also be strengthened. The current method of budget presentation did not make clear the cost of sustaining new initiatives. Results-based budgeting, a key feature of accountability, seemed to be a paper exercise used by the Secretariat to meet the needs of the budget process rather than as a management tool. Indeed, feedback on the performance of past budgets did not appear to inform the formulation of future budgets or workplans. The delayed proposals on how to develop the results-based approach further were eagerly awaited. Administration consumed a large part of the regular budget, but administrative efficiency was rarely measured and progress in the development and use of relevant tools and techniques had been slow.

78. Many organizational and management improvements were being introduced. Complex projects such as the capital master plan and the renewal of information technology required organization-wide commitment and unified leadership which transcended the departmental stovepipes that had often impaired unity of purpose. The delegations on whose behalf he spoke was confident that the Secretary-General was equipped to provide that unified leadership.

79. **Mr. Tawana** (South Africa), speaking on behalf of the African Group, said that reform was a process not an event. If the United Nations was to make a meaningful impact in addressing global challenges, it must keep abreast of changes in the global realities. The reform process would not earn the full confidence of all Member States unless the mandates of the General Assembly were carried out and particular attention paid to the special needs of Africa.

80. Presentation of the budget proposals gave Member States an opportunity to ensure that the allocation of resources was consistent with the priorities set by the General Assembly. While the African Group noted the assurances given by the Secretary-General in that regard, it considered that adequate resources had not been allocated to development issues. The Group supported efforts being made to address the root causes of the conflicts impeding the economic growth and sustainable development of many African countries. It was imperative that Africa be assisted to attain the Millennium Development Goals.

81. There were inextricable links between peace and security, development and human rights. None was a substitute for the other nor should any one of them be pursued at the expense of another. It was in that spirit that the African Group viewed the Secretary-General's proposals for revamping the Organization's peacekeeping capacity. It awaited with interest his formal proposals for restructuring the Department of Political Affairs and noted with appreciation the progress made in the operations of the Peacebuilding Support Office.

82. Sufficient resources should be allocated to fund the priorities set by the General Assembly for the biennium 2008-2009. The regular budget was supposed to provide funding for all of the Organization's activities and it was a matter for concern that most activities were funded from extrabudgetary resources.

83. The African Group supported the ongoing repositioning of the activities of the Economic Commission for Africa (ECA) in the context of efforts

to enhance the capacity of subregional offices. The Advisory Committee was correct in the view that the ECA initiative would facilitate the fulfilment of the Commission's regional development mandate. There must be equity in the allocation of resources among duty stations and regional commissions. The Secretariat should ensure that the United Nations Office at Nairobi, which was alone in receiving support from extrabudgetary resources, was treated in accordance with the relevant General Assembly resolutions.

84. While the establishment of the Office of the Special Adviser on Africa was a tangible sign of commitment to the New Partnership for Africa's Development (NEPAD), it was a matter of grave concern to the African Group that, at a time when Africa was the only region not meeting the MDG targets, the Office was not yet operating at full strength. The Group urged the Secretary-General to appoint the head of the Office as a matter of urgency, and to provide adequate resources for NEPAD-related activities. High vacancy rates adversely affected the functioning of the Secretariat and the Group requested an update on the measures that had been taken to fill all vacant posts beyond 31 May 2006.

85. The African Group supported the rationale for the Organization to leverage the advantages secured by the introduction of information and communication technology (ICT). It welcomed the appointment of the Chief Information Technology Officer and looked forward to hearing his proposals for a clear ICT strategy to eliminate redundancy and duplication in that sector across the Secretariat.

86. **Mr. Park** Hee-kwon (Republic of Korea) said that a budget was not just a collection of numbers but a reflection of an organization's priorities, needs and commitments. The needs and hopes of beneficiaries must be balanced against the fiscal burdens and domestic constraints of contributors. It was a matter of concern that the budget proposal for the biennium 2008-2009, after recosting and incorporation of the reform initiatives, would be 20 per cent higher than the initial request of $3.8 billion for the biennium 2006-2007. While Member States had an obligation to provide the Secretary-General with the financial resources to fulfil the mandates entrusted to him, given the enormous growth of the peacekeeping budget, overall assessments were becoming a serious burden on Member States. The Committee must therefore seek to contain the size of the budget and enhance the productivity of budget expenditures.

87. His delegation regretted the absence of any dramatic change in the budget-formulation methodology and the piecemeal and incremental approach which impaired budget discipline and made it difficult to prioritize programmes and to eliminate redundant items. Greater effort was needed to find new ways of justifying expenditures. The mandate review process, which had been expected to point the way in that regard, had not yet produced any meaningful outcome. The only alternative way to ensure timely and effective implementation of urgent mandates was to authorize the Secretary-General to set priorities and streamline the work programme in the light of actual needs. Otherwise there would be rapid growth in the budget and underutilization of available human resources. More detailed information about the outcomes of budgetary expenditures would enable Member States to verify the effectiveness of their contributions. Programme evaluation and feedback arrangements must also be improved so that outcomes could be taken into account in the determination of appropriations.

88. His Government was a strong advocate of the Secretary-General's reform initiatives but wished to see a careful cost/benefit analysis of their financial implications. While a quantitative approach could not be taken to the whole reform agenda, a review of the quantitative and qualitative effects of the reforms might clarify the Organization's goals and targets.

89. The Organization's budgeting system did not entertain the concept of a fiscal deficit and was less influenced by budget increases than national systems. That structural weakness should be addressed by a stronger trusteeship of the Secretariat, and in particular of the Secretary-General, who should devote more attention to removing the hidden inefficiencies caused by overlapping responsibilities and duplication. An aggregation of small savings could produce big effects, and the Advisory Committee was right to argue that there was room for cost savings in such areas as travel, the hiring of consultants, translation, and publication. Optimum budgeting required a combination of a suitable budget formulation methodology, strong will on the part of all parties involved in the proposals, and effective management by the Secretary-General.

90. **Mr. Muhith** (Bangladesh) said that, in order to carry out its mandated tasks effectively, the Organization must be supplied with adequate resources. Accordingly, all Member States should endeavour to pay their assessed contributions in full, on time and without conditions.

91. The proposed programme budget for the biennium 2008-2009 had been presented in a fairly suitable format, but he agreed with the Advisory Committee that further improvements were still required in a number of areas. Innovative solutions should be sought in order to make future budget documents more user-friendly and precise. Future budgets should also provide information on the full cost of budgetary proposals for each section.

92. He was concerned about ongoing efforts to achieve zero nominal growth in the regular budget because of their potentially negative consequences for development-related mandates. Noting that extrabudgetary resources for the biennium 2008-2009 had been estimated at $6.6 billion, a net increase of 12 per cent in comparison to the previous biennium, he reiterated his call for the development of a methodology enabling the entire membership to be involved in policy decisions on the use of those resources.

93. On the issue of results-based budgeting, further efforts were needed to categorize and quantify outputs. The bulk of the 2,111 outputs identified for discontinuation in 2008-2009 related to economic, social and environmental programmes in the developing countries. In that connection, he would be grateful for further information on any resources released as a result of discontinued outputs that had not been linked to new outputs.

94. He was also deeply concerned at the Organization's continued failure to devote sufficient attention to the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. Those three groups of countries accounted for 91 Member States, a little under half the total membership of the United Nations, including the 50 most vulnerable countries in the world. Since only three years remained before the conclusion of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, the Least Developed Countries Unit of the Office must be strengthened. His delegation was also concerned at the 61 per cent decrease in the estimated extrabudgetary resources allocated to the Office for the biennium 2008-2009. Since such a decrease was detrimental to programme delivery, appropriate steps must be taken to ensure a steady inflow of funds. A concrete strategic action plan should be developed to achieve greater mobilization of resources in order to ensure that programme delivery could continue effectively.

95. Lastly, while commending the Department of Public Information for its efforts to tell the United Nations story to the peoples of the world and for its role in bridging the digital divide, he expressed his frustration at the meagre 0.3 per cent increase in resources requested for the biennium 2008-2009. United Nations information centres were vital for disseminating information and raising public awareness in developing countries and, as such, the centres located in those countries should receive adequate funding from the regular budget. He disagreed with the Advisory Committee's recommendation that host countries should be approached with a view to obtaining improved, cost-effective arrangements for the rental of premises.

96. **Ms. Medal** (Nicaragua) said that, in an increasingly complex world, the United Nations was and would continue to be the only global organization capable of responding to emerging challenges. However, despite the fact that Member States had all agreed that the Organization's work should revolve around the three pillars of peace and security, development and human rights, there were glaring imbalances in the budgetary proposals currently before the Committee. In spite of world leaders' repeated insistence on the need to achieve the Millennium Development Goals, the development agenda continued to be sidelined, as illustrated by the fact that the resources allocated to the Development Account represented only 0.37 per cent of the total proposed programme budget for the biennium 2008-2009 and that efforts were still being made to fund the Account through efficiency gains. The gap between word and deed must be bridged through the allocation of appropriate financial resources.

97. The programme budget of the United Nations should be a faithful reflection of the mandates approved by the legislative bodies, not the wishes of the Secretariat. She therefore looked forward to receiving the Secretary-General's proposals on the

restructuring of the Department of Economic and Social Affairs and of operational development activities, which were designed to strengthen the impact of the Organization's work in developing countries. She noted in that connection that the Secretary-General had been mandated to submit such proposals in 2005.

98. Regrettably, the budget proposals before the Committee were incomplete. Details of the unexpected and non-mandated reform of the Department of Political Affairs, as well as estimates for the reform of the administration of justice system, the procurement function and the enterprise resource planning system, were still being prepared, which further illustrated the fragmented vision that predominated within the Organization.

99. Nicaragua firmly supported efforts to strengthen multilateralism and therefore rejected the attempts of certain delegations to impose artificial spending limits. Far from enhancing efficiency, those limits undermined the much-needed work of the Organization, and she hoped that there would be no further suggestions of that nature. Similarly, the General Assembly had never agreed that the budgetary process should be guided by the principle of zero nominal growth. On the contrary, it was obvious that resource requirements would continue to increase as new mandates were approved and the United Nations became even more involved in global affairs.

100. While commending the generosity of those Member States that had contributed extrabudgetary resources, she took the view that those contributions should gradually be incorporated into the regular budget. That process was even more important, given that voluntary contributions were often used to establish posts in addition to those mandated by the General Assembly, a situation that served to exacerbate existing geographical imbalances among Secretariat staff. In that regard, she welcomed the steps that had been taken to achieve gender balance within the Secretariat and called for further efforts to recruit more women from developing countries.

101. Lastly, the failure to appoint an Under-Secretary-General for Field Support, despite the inordinate pressure that had been brought to bear on the Fifth Committee in May and June 2007, clearly illustrated that the post was superfluous. She would welcome an explanation of that situation.

102. **Ms. Rodriguez de Ortiz** (Bolivarian Republic of Venezuela) said that the United Nations must fundamentally reshape itself and move towards the democratization of the Security Council, the assumption of new duties by the General Assembly and the strengthening of the political role of the Secretariat.

103. It was the prerogative of the 192 Member States to adopt its regular budget, which should reflect a balanced picture of the priorities and interests of those States. She wished to reaffirm the role and authority of the General Assembly and its Fifth Committee over administrative and budgetary matters.

104. The proposed programme budget showed a marked lack of balance when compared with the priorities set out in General Assembly resolutions. While the resources for some parts of the budget had more than doubled, they remained virtually unchanged, or had even decreased, for the parts dealing with development. That was true of economic and social affairs, the regular programme for technical cooperation and, in particular, the Development Account, which was far below the level initially proposed when the Account was created. That growing trend prevented the Secretariat from properly addressing one of its central pillars of activity. The Organization must have the necessary resources for all of its priority areas.

105. The proposed budget did not include the financial implications of recently adopted reform measures, which made it difficult for Member States to consider the budget and reduced the transparency of the budgetary process. She therefore concurred with the Advisory Committee's opinion that the budget should give the fullest possible picture of the requirements for the following biennium. Not only did the current presentation limit delegations' understanding of the budget, but it also represented a failure of due budgetary discipline on the part of the Secretariat. A sign of that failure was the sharp variation in the annual appropriations approved by the General Assembly during the three previous bienniums, indicating a tendency to adopt budgets that fell short of actual requirements.

106. Detailed information should be provided on outputs that had been earmarked for discontinuation, given that some 80 per cent of those outputs were from development-related sections of the budget. As a result, the Organization was carrying out far fewer mandated

tasks that were of crucial importance to developing countries.

107. With respect to the filling of posts, the Secretariat should, as a priority, ensure that its staff came from all countries and regions of the world and that more women, and especially women from developing countries, held senior positions. The current staffing situation in the Office of the United Nations High Commissioner for Human Rights (OHCHR) showed a marked lack of balance and undermined the intergovernmental nature of the Office.

108. Turning to the matter of reforms and the Secretary-General's initiative to strengthen the Department of Political Affairs, her delegation called for an integrated and balanced focus on all of the Organization's priorities, so that it would not develop any areas of weakness. She hoped to see signs of a will to strengthen such important bodies as the Department of Economic and Social Affairs, UNCTAD and the regional commissions.

109. **Mr. Heller** (Mexico) said that the proposed programme budget for the biennium 2008-2009 had been prepared on the basis of the mandates given by the General Assembly and the priority accorded by Member States to specific activities carried out by the Organization. It also reflected the Secretary-General's estimate of the financial resources required to implement those mandates. Nevertheless, he had a number of concerns about the proposals currently before the Committee. First, the piecemeal approach to the budget process served to complicate consideration of the budget, made it difficult to determine resource requirements for priority activities and, in general, undermined budget discipline.

110. Second, the anticipated add-ons to the proposals currently on the table would not only ensure that the budget would increase but would also hinder efforts to consider the proposals as an organic whole. While most of the Secretariat's functions were based on current General Assembly mandates, some of its tasks had become obsolete. A rigorous review of the resources associated with those functions was therefore required.

111. Third, the real budget level of over $4.6 billion was significantly higher than the preliminary estimate approved by the General Assembly in its resolution 61/254.

112. Fourth, the proposed programme budget did not provide details of measures designed to enhance the efficiency of the Organization. As the fifth largest contributor to the regular budget, Mexico was committed to providing the United Nations with the resources it needed to implement its mandates. It was essential, however, to ensure that those resources were being used in an effective and efficient manner.

113. Although he was grateful to the Secretary-General for having shared some aspects of his proposed reform of the Department of Political Affairs, he would have preferred to see a comprehensive restructuring proposal, in keeping with General Assembly mandates, that covered the Department of Peacekeeping Operations, the Department of Political Affairs and other departments and offices, including the Department of Economic and Social Affairs. All three pillars of the Organization's work must be funded in a balanced manner. Unfortunately, the proposed programme budget did not reflect that imperative.

114. **Mr. Punkrasin** (Thailand) welcomed recent efforts to improve the management of the Organization, including its budgetary process. The informal briefings given to members of the Fifth Committee by senior Secretariat officials had been particularly useful and should become established practice. It was hoped that frank exchanges of views at an early stage of the decision-making process would foster greater understanding of the Organization's budgetary needs and improve the balance between resources and mandates. When considering the proposed programme budget for the biennium 2008-2009, Member States must bear in mind that the allocation of sufficient resources was a determining factor for effective programme delivery.

115. While his delegation appreciated the efforts undertaken by the Secretary-General and the Secretariat to strengthen the planning and budgetary process, further measures were needed. In that connection, Thailand, together with Chile, South Africa and Sweden, had submitted for consideration the proposals on improving governance and management prepared by the Four Nations Initiative. Those proposals consisted of, inter alia, a series of practical measures designed to enhance accountability and transparency at all stages of the budgetary process. His delegation hoped that the proposals would contribute to ongoing efforts to build a stronger and more efficient United Nations.

116. The mutually reinforcing concepts of effectiveness, transparency and accountability were the hallmark of good management. In pursuing results-based management, further efforts should be made to specify the mandates and objectives associated with planned programmes and activities. Emphasis should also be placed on improving indicators of achievement, monitoring performance, strengthening evaluations and feedback, and training relevant staff.

117. The Organization's core activities represented the common interests of Member States and, as such, were the collective responsibility of those States. The Fifth Committee should therefore address the continuing imbalance between regular budget and extrabudgetary resources in order to guarantee a predictable flow of funds.

118. He highlighted the important contribution of the regional commissions to, inter alia, the achievement of the Millennium Development Goals and stressed that they should be provided with adequate resources to enable them to discharge their mandates without undue reliance on extrabudgetary resources. The Economic and Social Commission for Asia and the Pacific served as a regional hub enabling countries to exchange experiences and opinions on policy options, strategies and good practices in an integrated and inclusive manner. It also played a vital role in narrowing the gap between the countries in the Asia-Pacific region, which was home to some of the world's fastest growing economies and over half the developing countries.

119. As host country of the Commission, Thailand endorsed the proposed programme budget for section 18 (Economic and social development in Asia and the Pacific), which had been the subject of a thorough intergovernmental review and had been endorsed by the Commission itself at its sixty-third session. The budget proposal reflected the priorities of the member States of the Commission and focused on areas in which it had a comparative advantage. In that connection, his delegation supported the Commission's request for posts and welcomed the proposed redeployment of two P-2 posts within programme support in order to strengthen the Commission's procurement and monitoring and evaluation functions.

120. **Mr. Takasu** (Japan) welcomed the Secretary-General's efforts to improve the efficiency of the Secretariat, but had serious concerns about the possibility that the final budget level for the biennium 2008-2009 would exceed $4.628 billion, representing a 22 per cent increase over the initial budget estimates for the previous biennium. When discussing the proposed programme budget, it was important to take account of all the financial obligations incumbent upon Member States: the peacekeeping budget for the year beginning 1 July 2007 was expected to reach $5.25 billion and, in addition to the unprecedented increase in the regular budget, a further $690 million would be required for the capital master plan. In light of those sharp increases, the regular budget proposals should be scrutinized even more carefully. His delegation continued to advocate the practice of meeting new requirements through the redeployment of resources from obsolete or low-priority activities. It also supported the principle of zero nominal growth in the programme budgets of international organizations and would therefore take a merit-based approach to its consideration of the Secretary-General's proposals.

121. The programme budget established a contract between Member States and the Secretary-General. As pointed out by the Advisory Committee, it was the responsibility of the Secretary-General to present the membership with the fullest possible picture of the Organization's requirements for the forthcoming biennium. A piecemeal approach to budgeting and the submission of additional requests on an ad hoc basis were not conducive to the approval of the proposed programme budget by consensus, and his delegation would therefore be grateful for further information about the activities to be streamlined by those additional requests and their intended outcomes.

122. It was important to observe the budgetary procedures and methodology set out in General Assembly resolutions 41/213 and 42/211, according to which the overall level of the proposed programme budget, its priorities and the size of the contingency fund must be in line with the programme budget outline previously approved by the General Assembly. Additional expenditures arising from programme budget implications and revised estimates must be contained within the level of the contingency fund. Those procedures and methodology brought dynamism to the budgetary process and were intended to control budget growth through strict prioritization and redeployment. Accordingly, his delegation agreed with the Advisory Committee's recommendation that the level of the contingency fund for the biennium 2008-2009 should remain at 0.75 per cent. When

submitting his revised estimates, the Secretary-General should adhere to the relevant procedures and methodology and exercise maximum budget discipline.

123. Stronger accountability mechanisms were a prerequisite for a more modern and streamlined Secretariat. In that regard, his delegation was disappointed that the Secretary-General had not taken full advantage of the limited budgetary discretion afforded to him by General Assembly resolution 60/283. To date, there had been only very limited efforts to redeploy resources within and among the various sections of the budget. He stressed the importance of the rigorous application of regulation 5.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation and urged the Secretary-General to make additional efforts to use existing resources through redeployment and his discretionary authority before requesting additional appropriations. Further savings might be achieved by identifying posts to be downgraded following the retirement of the current incumbents. Moreover, wherever possible, the number of P-2 and P-3 posts should be increased. Mandate review was another useful way of realizing cost savings.

124. The Secretary-General had expressed his intention to further strengthen the links between the three pillars of peace and security, development and human rights. While recognizing the need to channel limited resources to all three priority areas, he stressed the importance of using financial and human resources as efficiently as possible in order to ensure optimum service delivery.

125. **Mr. Outlule** (Botswana) said that it was imperative to work in a spirit of compromise and consensus so that all Member States were equally involved in budget decisions and could satisfy themselves that the resource allocation fully reflected the Organization's priorities. Consensus-building was all the more important in that, once the budget had been approved, States must pay their assessed contributions in full, on time and without conditions. The Secretary-General needed predictable resources to carry out his mandates in a timely and effective manner, but he must also properly account for the use of those resources.

126. With respect to the presentation of the programme budget, he shared the view of ACABQ that a piecemeal approach to the budget did not serve the interests of Member States, because it delayed decision-making and slowed the work of the Secretariat.

127. His delegation supported the ongoing Secretariat and management reforms, which would revitalize the Organization and enable it to meet new challenges. Nevertheless, the reform process should be fair and balanced, based on a sense of partnership and commonality of interests.

128. The Peacebuilding Commission had made satisfactory progress in its first year of work, though much remained to be done. He therefore approved of the resources proposed for the Peacebuilding Support Office, which would make an invaluable contribution to the Commission's work. He was also encouraged by the financial pledges that had been made to the Peacebuilding Fund.

129. He welcomed the ongoing measures to strengthen capacities across the Secretariat, and expected that all pillars of the Organization's work would receive equal attention. The maintenance of international peace and security, though crucial, should not be made a priority at the expense of development; a strong correlation must be maintained between the mandated priorities of the United Nations and the allocation of budgetary resources.

130. The development of Africa was one of those priorities. The Office of the Special Adviser on Africa had a vital role to play in coordinating support from the international community for Africa. It was therefore unfortunate that the Office was five members short of its approved complement of staff, including the head of the Office, which undermined its functioning. He wondered whether there were problems that prevented the Secretariat from filling those posts and, if not, when they would be filled. The decline in projected extrabudgetary resources for the Office was also a grave concern, since it would adversely affect high-level advocacy for Africa's development.

131. He welcomed the recommendations of the Office of Internal Oversight Services (OIOS) on refocusing the work of the Economic Commission for Africa (ECA). Repositioning the Commission would result in greater delivery of services by subregional offices,

with the headquarters in Addis Ababa providing oversight, strategy and coordination.

132. Finally, his delegation approved of the resources allocated to the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS) and welcomed the appointment of the new head of the Office.

133. **Mr. Wallace** (United States of America) said that when the estimated amounts for recosting and add-ons for reform-related activities were added to the Secretary-General's preliminary budget estimate, the actual budget for the biennium 2008-2009 could be in the region of $4.7 billion, an increase of 15 per cent over the programme budget for the biennium 2006-2007. Such unrestrained growth in the budget was unsustainable. The General Assembly must insist that the Secretariat should identify cost savings and prioritize new initiatives when proposing increased budgets or making additional funding requests. That would encourage budget discipline, which was a hallmark of good management. Member States expected the United Nations to use its resources as efficiently as possible.

134. His delegation and others had always advocated zero growth in the programme budget. That did not appear to be an option, given the proposed budget at hand. Nevertheless, the Fifth Committee must seek to control growth in the budget, while ensuring that there were sufficient funds to meet the Organization's mandates. No organization could operate without prioritizing expenditures and reprogramming budgets to cut back on redundant or less relevant programmes and redirect resources to new challenges and priorities. Having too many priorities was tantamount to having no priorities.

135. He shared the Advisory Committee's concern about the piecemeal approach taken in the presentation of the budget, which failed to give a full picture of the requirements for the upcoming biennium. The budget process was based on a partnership between the Secretariat and Member States, whose role was undermined if they were confronted with substantial add-ons, as was currently the case.

136. The budget proposals should be examined carefully to identify even greater savings than the $11.5 million that had been identified by the Advisory Committee. In addition, all current and subsequent add-ons should be scrutinized to determine whether it was appropriate to proceed with them, and should then be prioritized, keeping in mind not only the Secretariat's objectives but also the realities of the budget.

137. **Mr. Guerber** (Switzerland) said that, far from representing zero growth, the estimated programme budget showed an increase of some 25 per cent in real value, when add-ons were taken into account. The piecemeal presentation of the budget made it difficult for Member States to manage the budgetary process effectively. He therefore requested that future proposals should be presented in a timely and comprehensive manner.

138. He was pleased to see that greater resources had been earmarked for the Office of the High Commissioner for Human Rights and for strengthening the Peacebuilding Support Office. His delegation had long advocated more stable and predictable financing for human rights and humanitarian programmes.

139. Three issues with significant cost implications were of particular concern to his delegation. Firstly, while he lauded the Secretary-General for his work on United Nations reform, much remained to be done to improve overall governance by strengthening accountability, transparency and internal oversight. More progress was also needed in the areas of enterprise risk management and results-based management. An independent, transparent, professional and well-resourced system of administration of justice was required. Cost savings could also be achieved through, inter alia, improvements in procurement and the appointment of a Chief Information Technology Officer.

140. Secondly, the Organization must discontinue activities that had become obsolete or less relevant. His delegation therefore supported initiatives aimed at reviving the review of mandates.

141. Finally, having established the Human Rights Council, the General Assembly must provide it with adequate funding through the regular budget. Core activities of the Organization must not depend on voluntary contributions.

142. Provided that the budget would help achieve the objectives he had outlined, his delegation was prepared to accept a greater increase than it would have preferred. The Committee's deliberations should focus

on the Organization's strategic priorities rather than on a line-by-line examination of the budget proposals.

143. **Mr. Hannesson** (Iceland) said that the ultimate aim of the Fifth Committee's negotiations was to ensure that the Secretary-General had the necessary resources to fulfil the mandates he had been given. A balanced approach was paramount in dealing with the individual budget proposals. That meant, firstly, balancing allocated resources against available resources through budgetary discipline, and secondly, balancing the emphasis given to different mandates, taking into account the fundamental priorities of the United Nations. Those priorities were reflected in the Organization's main pillars and in the mandates given by the General Assembly.

The meeting rose at 1 p.m.

United Nations A/C.5/62/SR.11

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Chairman: Mr. Ali ..... (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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07-56541 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 128: Proposed programme budget for the biennium 2008-2009 (*continued*)

Continuation of the general discussion on the proposed programme budget for the biennium 2008-2009 and related reports (A/62/6 (Introduction) and Corr.1, A/62/6 (Sects. 1-3), A/62/6 (Sect. 4) and Corr.1, A/62/6 (Sects. 5-7), A/62/6 (Sect. 8) and Corr.1, A/62/6 (Sects. 9-11), A/62/6 (Sect. 12) and Corr.1, A/62/6 (Sects. 13-18), A/62/6 (Sect. 19) and Corr.1, A/62/6 (Sects. 20-22), A/62/6 (Sect. 23) and Corr.1, A/62/6 (Sect. 24) and Corr.1, A/62/6 (Sects. 25-28), A/62/6 (Sect. 28A) and Corr.1, A/62/6 (Sect. 28B) and Corr.1, A/62/6 (Sect. 28C) and Corr.1, A/62/6 (Sect. 28D), A/62/6 (Sect. 28E) and Corr.1 and Corr.2, A/62/6 (Sect. 28F), A/62/6 (Sect. 28G), A/62/6 (Sect. 29) and Corr.1, A/62/6 (Sects. 30-35), A/62/6 (Income sects. 1-3), A/62/7 and Corr.1, A/62/16 (Chap. III B), A/62/80 and Corr.1-3, A/62/91, A/62/229 and A/62/349)

1. **Mr. Afifi** (Egypt) said that, as the 2005 World Summit Outcome represented a compromise of intent among world leaders, the General Assembly must determine in practice how to fulfil it, especially in the areas of development, peace and security, human rights and the rule of law. All mandated programmes and activities should be implemented.

2. The Organization should focus on important issues, including sustained economic growth and sustainable development, and take urgent action, backed by adequate financial and human resources, to address critical challenges such as poverty, hunger, imbalances in international trade, the environment and social and health matters. Accordingly, the Department of Economic and Social Affairs, as the principal body for coordination policy review, policy dialogue and recommendations on economic and social development, should receive greater support. In that regard, he welcomed the Secretary-General's stated intention to make substantive proposals for strengthening the Organization's development and economic machinery.

3. His delegation also looked forward to receiving a detailed proposal for the strengthening of the Department of Political Affairs and shared the view that the requests for additional resources made by the Office of the High Commissioner for Human Rights should be consistent with the mandates approved by the Human Rights Council and the General Assembly.

4. **Mr. Liu** Zhenmin (China) said that, given the recent expansion of the Organization's activities in fields such as peace and security, development and human rights, a corresponding increase in the budget was unavoidable in order to ensure adequate funding for mandated programmes and activities. However, in formulating the programme budget, account must be taken of the need to match resources with actual requirements, to make savings and to consider the capacity of Member States to pay.

5. With regard to resource allocation, his delegation supported the priority items identified by the General Assembly for 2008-2009 and hoped that the Organization's limited resources would be used where most urgently needed, that administrative and management costs would be drastically reduced and that more resources would be devoted to development, thereby benefiting the developing countries. In that connection, he noted that the proposed increase in resources for human rights and monitoring exceeded the proposed increase for activities related to the promotion of economic development and regional cooperation on such issues as the environment, trade and African development. The Secretary-General should take effective measures to maintain a balanced input of resources for priority programmes.

6. With regard to improving management and reducing waste, his delegation had noted the concerns of the Advisory Committee regarding the current piecemeal approach to the budget process and its recommendation that there should be greater cooperation and coordination in order to achieve synergy, enhance complementarity and remove avoidable redundancies. The Secretariat should use the resources provided by Member States in a scientific and rational manner to achieve optimal efficiency and to put an end to waste and mismanagement. In order to conserve resources and increase efficiency, budget and programme managers should strengthen their communication and cooperation, formulate specific and feasible performance indicators and discontinue outdated and inefficient outputs.

7. **Mr. Kassaye** (Ethiopia) said that the complex challenges of peacekeeping operations required an integrated approach and better coordination. A prompt

and effective response to Security Council and General Assembly decisions through an appropriate and adequate allocation of budget resources was crucial to the implementation of peacekeeping mandates, particularly the monitoring of ceasefires and buffer zones. His delegation therefore welcomed the support given to the Special Committee on Peacekeeping Operations by all concerned and expected that Committee to implement and follow up the decisions of the Security Council and the General Assembly in an efficient manner. The Department of Peacekeeping Operations, for its part, should be allocated additional resources to implement the Special Committee's recommendations. The Peacebuilding Commission and Peacebuilding Support Office should also be provided with adequate resources to help strengthen the overall capacity of the United Nations to manage and sustain peacekeeping operations throughout the world.

8. The multifaceted chailenges facing Africa demanded concerted action by the international community and his delegation therefore urged support for the New Partnership for Africa's Development (NEPAD) to promote peace, security and development in the continent. The significant decrease in extrabudgetary resources, which were indispensable to the work of NEPAD, should be addressed, as should the current staff vacancy situation. The filling of vacancies, in particular the post of Under-Secretary-General for the Office of the Special Adviser on Africa, would contribute to the efforts to mobilize the required resources for the Partnership.

9. The United Nations system and its regional economic commissions should play a greater role in promoting institutional coordination. Coordination between the United Nations and the African Union should be further strengthened to ensure effective deliberation on a number of initiatives, in particular the Mechanism for Conflict Prevention, Management and Resolution. Repositioning its activities to regional suboffices, as recommended by the Office of Internal Oversight Services (OIOS), would be difficult for the Economic Commission for Africa (ECA) to achieve unless it received adequate resources and was able to fill vacancies in a timely manner.

10. While a number of global initiatives for least developed countries, landlocked developing countries and small island developing States had been established, their goals were far from being achieved. Without adequate resources, it was clear that the overall programme delivery of the Office of the High Representative for that group of countries would fall short in addressing the needs of Member States. His delegation agreed with the Advisory Committee on the need for a concrete strategic action plan to mobilize greater resources to ensure that the Office's programme delivery could continue effectively.

11. **Mr. Petranto** (Indonesia) said that the programme budget, an important means of highlighting the fundamental priorities of the Organization, must capture its vision, mission and spirit and present an accurate picture of all mandated activities and the resources allocated to achieve them. To that end, the role of the General Assembly and its intergovernmental and expert bodies must be acknowledged and appreciated. Likewise, the independent, impartial and expert role of the Advisory Committee and the budget, programming and evaluation role of the Committee for Programme and Coordination (CPC) should be respected.

12. Regrettably, the budget proposals failed to reflect the importance of development, which, along with peace and human rights, was a pillar of the Organization. With most development activities relying on extrabudgetary funds, his delegation was concerned that the approval procedures, reporting requirements and accountability mechanisms associated with those funds often lacked transparency. It was also deeply concerned at the strategy of aiming for a budget with zero nominal growth, which had been adopted without General Assembly approval.

13. Indonesia shared the concern of many Member States over the limited procurement opportunities available to developing countries and called for reform to remedy the situation, including consistent and transparent implementation of the relevant rules and regulations.

14. **Ms. Viotti** (Brazil) said that the Organization must be stronger and better equipped to address peace and security, development and human rights, and have adequate resources in all three areas. However, the priorities of the international community had not been reflected in a balanced way in the budget, to the detriment of development.

15. Comprehensive reform was needed to strengthen the development machinery of the Organization, with significant increases in resources for development-related programmes and for the Development Account,

in order to address the poverty and development challenges which lay at the root of many current conflicts

16. The budget for the biennium 2008-2009 should therefore considerably strengthen programmes relating to trade and development, economic and social affairs, the least developed countries, landlocked developing countries and small island developing States, technical cooperation and indigenous peoples. As a reflection of Member States' renewed commitment to addressing Africa's special needs, the budget should also devote greater resources to supporting NEPAD, ECA and the Office of the Special Adviser on Africa.

17. Brazil supported the strengthening of the Economic Commission for Latin America and the Caribbean (ECLAC), which had been instrumental in promoting effective social and economic development in the region and had provided an example of efficiency and accountability. It also supported the strengthening of the Office of the High Representative of the Secretary-General for Disarmament Affairs so that it could discharge its duties effectively, and reaffirmed that the measures agreed upon by Member States to strengthen the United Nations Forum on Forests must be supported by adequate regular budget resources.

18. Stronger internal controls and results-based management should be an ongoing concern in the Secretariat. Brazil supported all measures to make the Secretariat's activities more effective and transparent, fulfilling the mandates which the Member States conferred on it.

19. **Mr. Dangue Réwaka** (Gabon) said that the budget was the main method by which the Secretary-General requested financial, human and material resources to implement the activities of the Organization's biennial programme plan. The total level of income and expenditure and the rate of growth of the budget were likely to rise if the Secretary-General made additional requests after considering issues on which numerous reports were still awaited.

20. While his delegation understood that the change in the Organization's leadership had affected the situation, it agreed with the Advisory Committee that a piecemeal approach must be avoided in future, as it not only departed from the budget process and discipline established by the General Assembly in its resolutions 41/213 and 42/211, but also made it difficult for Member States to plan and pay their assessed contributions. Moreover, once adopted, the budget must cover all the activities for which the General Assembly had established a mandate, and the priorities established by the Assembly must guide the allocation of resources.

21. His delegation noted the dynamism that had been brought to ECA by its new Executive Secretary and supported the Secretary-General's request for resources to alter the Commission's organizational structure and to strengthen its regional suboffices for the benefit of the continent's five subregions. It also supported the request for resources for the United Nations Office at Nairobi in order to bring it up to a status equivalent to that of comparable duty stations and encouraged the Secretary-General to continue his efforts in that regard.

22. His delegation was concerned at the failure to follow up the Assembly's request for additional funds and human resources for the Subregional Centre for Human Rights and Democracy in Central Africa. Appropriate proposals for action should be made at the Assembly's current session and future budget submissions should include a subsection on the requirements of the Subregional Centre, in accordance with Assembly resolution 56/253.

23. His delegation supported the recommendations of the Advisory Committee and the Committee for Programme and Coordination regarding the Office of the Special Adviser for Africa, which should be strengthened by filling vacancies and providing additional resources to consolidate the Office's planning, coordination, communication and evaluation functions. It also supported the request for resources for the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. His delegation noted with satisfaction the prompt establishment of the Peacebuilding Commission and supported the recommendation of the Advisory Committee for additional resources to strengthen it.

24. The budget process was the best way to maintain a fruitful dialogue between the Secretary-General and Member States and reaffirm their common desire to make the Organization an effective instrument of international cooperation. In that connection, he recalled that at the 2005 World Summit, Heads of State and Government had made a commitment to provide

the Organization with adequate and timely resources to enable it to carry out its mandates.

25. **Mr. Løvald** (Norway) said that the proposed programme budget was vital to the operations of the Organization and should reflect the collective priorities of its Members. As Member States increasingly turned to the United Nations to find solutions to global challenges, the United Nations must also adapt to demands for it to function efficiently and coherently.

26. The programme budget was the most important strategic tool for the implementation of the increasing number of important mandates, and must therefore provide clear direction, based on the Member States' views on how best to use resources in a fiscally sound and results-based manner. The real growth of the proposed programme budget could only be evaluated after considering a series of late additions to it. His delegation believed that proposals to strengthen or reform parts of the Secretariat should be considered in the context of biennial budgets based on a consistent strategy to ensure a well-managed, appropriately funded and competent Secretariat.

27. His delegation would carefully consider the proposal to strengthen the Department of Political Affairs and thereby strengthen the Organization's capacity to prevent and resolve conflicts. The programme budget proposals should also reflect and balance the need to promote economic development, humanitarian efforts and human rights. His delegation would contribute to the work of the Committee based on that understanding. The budget negotiations should also be guided by the targets and decisions of the 2005 World Summit. In that connection, his delegation called on all Member States to honour the commitment to strengthen the Office of the High Commissioner for Human Rights through a doubling of its regular budget resources within five years. Appropriate funding must also be provided for the Organization's assistance to victims of conflict, including funding for the new peacebuilding architecture and assistance to refugees and displaced persons.

28. **Ms. Núñez Mordoche** (Cuba) said that the task before Member States was to agree, in an exercise of full sovereign equality, on the level of resources that the Organization should be given to implement all of its mandated activities. That was a test of the commitment of Member States, as it was useless to assert the Organization's importance in solving current problems if, in practice, it was denied the resources to do so. States which advocated conditions such as budget ceilings and zero nominal growth before they would approve reduced budgets that failed to meet the Organization's needs were showing the true extent of their political will.

29. The principle of zero nominal growth in the proposed 2008-2009 programme budget was difficult to reconcile with the new challenges facing the Organization. While resources must be used efficiently, it was hard to understand how new challenges could be met with a regular budget that did not cover the priorities set by Member States. It was particularly disturbing that there was little growth in the proposed regular budget, while extrabudgetary funds were expected to rise by $764 million. Moreover, development issues accounted for a negligible share of the proposals and no real and sustained increase was planned either for the regular programme of technical cooperation or for the Development Account.

30. The General Assembly had adopted no resolution approving the zero nominal growth approach. The Secretariat should therefore present proposals based on the real needs of the Organization. Given the various reform initiatives that were in the pipeline, her delegation would appreciate knowing the real total of resources allocated for the biennium 2008-2009.

31. It would also like to know why additional resources had not been allocated to the Development Account, when recent reports revealed that the Organization had achieved considerable savings. It was time to prove that development was truly one of the pillars of the United Nations by granting the resources needed to achieve internationally agreed goals, including the Millennium Development Goals.

32. The Secretary-General's proposal to eliminate more than 2,000 outputs on the basis of regulation 5.6 and rule 105.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME) proved that genuine implementation of the Regulations and Rules was possible and was not an obstacle to the updating of the Organization's methods. However, it was disappointing that most of the outputs proposed for elimination were in the field of economic and social development.

33. The proposed programme budget for 2008-2009 was the second to be considered since the General

Assembly decided, in resolution 58/269 that the programme narratives of the programme budget fascicles should be identical to the biennial programme plan. It was disturbing that CPC had not had the opportunity to consider certain sections of the proposed budget programme, which had been published after CPC had met. CPC should be given the opportunity to review the programme narratives and thereby facilitate the Assembly's work. She welcomed the improved presentation of the results-based budget, but further improvements were still needed.

34. While it recognized the valuable work performed by the Advisory Committee, her delegation did not agree with some of the recommendations and observations contained in that Committee's first report on the proposed programme budget (A/62/7) because of their potential effect on the work of certain United Nations organs and departments.

35. Presentation of the budget coincided with proposals for the reform of the Organization. Member States should carefully consider the proposals and avoid rushing into agreements that were impossible to implement or were negative for the Organization.

36. Cuba would resist any effort to make approval of the budget for the forthcoming biennium conditional on reform initiatives or the agendas of certain countries. It would vigorously condemn and reject any attempt to withhold payment of its assessment by the main contributor, exert pressure on delegations, impose conditions connected with a State's level of assessment, or exploit scandal stirred up by one State's media.

37. Negotiations on the proposed programme budget must be conducted in an open, transparent and inclusive manner. Cuba opposed the notion that a small group of delegations was entitled to decide for the rest of the membership of the General Assembly on an issue that was vital to the Organization.

38. **Mr. Sen** (India) said that the proposed budget programme for the biennium 2008-2009 lacked budgetary discipline and failed to reflect the Organization's priorities. Important items with significant budgetary implications, such as the reforms of the Department of Peacekeeping Operations and the Department of Field Support, enterprise resource planning, and costs related to decisions of the Human Rights Council and Economic and Social Council were being presented outside the scope of the regular budget, thereby making supplementary demands the norm and marginalizing the regular budget.

39. In his introductory remarks, the Secretary-General had stated that issues of economic advancement and social equity could not be geopolitical afterthoughts; yet the proposed budget programme showed development to be just such an afterthought. The Secretariat clearly had not heeded the wise guidance of the Secretary-General.

40. The proposed resource allocation between development on the one hand and peace and security and human rights on the other hand was completely lopsided. The increase in resources for the promotion of sustained economic growth and development had been limited to 18 new posts, which represented 0.5 per cent real growth; development in Africa had been "strengthened" by one post; no increase had been proposed for the regular programme of technical cooperation; and the Development Account budget had remained constant at $16.48 million. That was all the more disturbing, given that the target originally set for the Development Account was $200 million. In contrast, human rights with 36 new posts and peace and security with 35 new posts, not including the 34 additional posts for the Department of Political Affairs reform, had been treated more generously. Of the proposed net increase of 428 posts to be financed from extrabudgetary resources, 260 were for the Office of the United Nations High Commissioner for Human Rights.

41. The budget proposals revealed an indifference to development, which was the top priority for the large majority of Member States and a necessary condition for durable peace and security. His delegation called for an urgent redressal of the imbalance through the allocation of greater resources for development-related entities like the Department of Economic and Social Affairs, the regional commissions and the United Nations Conference on Trade and Development (UNCTAD). Although such entities and programmes were small, they acted as catalysts and had a multiplier effect. New and practical proposals for financing the Development Account were also needed.

42. Although India strongly supported South-South cooperation, such cooperation was no substitute for the fulfilment of development assistance commitments. In that connection, India looked forward to the Secretary-

General's proposals for strengthening the Secretariat to better serve the world's "bottom billion".

43. India supported initiatives to strengthen the Office of the Special Adviser on Africa and ECA and urged that the Special Adviser on Africa should be appointed at the earliest opportunity.

44. In 1997, the Secretary-General had set a specific goal to reduce administration costs in the regular budget of the Secretariat from 38 to 25 per cent of the United Nations regular budget. However, under the proposed programme budget for the biennium 2008-2009, the cost of posts was estimated at $2.7 billion or 63 per cent of the total regular budget. If the cost of extrabudgetary posts was also taken into account ($2.76 billion), the total cost of posts for the Organization amounted to $5.5 billion or 52 per cent of the total budget. Clearly, the situation was regressing. It was the responsibility of management to increase the percentage of resources devoted to implementing the mandated programme of work rather than encourage a proliferation of posts, on the pretext of programme support.

45. The budget was ultimately a political document which reflected the priorities that were being subtly imposed on the United Nations. The proposed programme budget for the biennium 2008-2009 would have to be radically revised before it could be accepted. The proposals had little to do with development, less with optimal use of resources and nothing at all with budgetary discipline. Technically, it was grossly inadequate and, politically, it was somewhat suspect.

46. His delegation was nonetheless confident that the Committee would arrive at an outcome that responded to the various concerns that had been raised by Member States.

47. **Mr. Aniokoye** (Nigeria) said that adequate resources should be allocated to development, which was crucial to the promotion of peace and security. He welcomed the efforts being made to bring the resources allocated to the United Nations Office at Nairobi under the regular budget, in line with similar United Nations administrative offices. He also welcomed the attempts to reposition ECA so that it could better respond to emerging challenges, but agreed with the Advisory Committee's recommendation that consideration should be given to mobilizing resources before recruiting relevant staff.

48. The current uncertainty regarding the Office of the Special Adviser on Africa undermined the Organization's concern for Africa. Member States should refocus their attention on the Office, bearing in mind that the continent's extreme poverty had informed the Organization's decision to make development in Africa a priority.

49. The proposed budget of $4,395,600,000 nevertheless provided a good basis for consideration and his delegation would work closely with other delegations to ensure a successful outcome.

50. **Mr. Vuong Dinh Van** (Viet Nam) said that a zero-growth budget was unrealistic and that the proposed programme budget for the biennium 2008-2009 would scarcely cover all the ambitious goals and targets of the three pillars of peace and security, human rights and development. Member States must negotiate a practical budget, while ensuring that expenditures were more efficient and transparent. Increased resources should be allocated to the Development Account and savings from gains in efficiency should be reinvested in development activities.

51. His delegation attached great importance to the policy of decentralization and firmly believed that the delegation of authority to grass-roots levels strengthened ownership, capacity-building and accountability. It encouraged the different United Nations agencies to implement projects and programmes jointly, in the interests of "delivering as one". It also strongly supported initiatives to foster South-South cooperation and assistance to the least developed countries, landlocked developing countries and small island developing States, including the implementation of NEPAD.

52. His delegation also attached importance to the establishment of a common system of salaries, allowances and benefits. The harmonization of obligations and policies and the impartial resolution of disputes would help the Organization recruit and retain highly qualified staff, which would be in its own best interests.

53. Lastly, measures to increase procurement opportunities for vendors from developing countries should be strengthened with a view to increasing the representation of such vendors in the United Nations.

54. **Mr. Cheok** (Singapore) said that development assistance could be a great boon to a developing

country and that Singapore itself had benefited from development assistance from agencies such as the United Nations Development Programme (UNDP). His delegation was therefore concerned that the development budget had been increased by only a nominal 0.5 per cent.

55. With respect to the strengthening of the Department of Political Affairs, it was obviously preferable to have the resources to resolve disputes before they escalated into larger conflicts. However, it was also necessary to ensure that the goals could be effectively translated into reality. One possibility was to redeploy staff from within the United Nations instead of creating new posts — an option that other understaffed departments might also consider.

56. His delegation agreed on the importance of effective accountability and oversight and was reviewing the activities of OIOS and the Procurement Task Force with interest. Both OIOS and the Task Force must adhere to the same high standards to which they held others.

57. It was important to strengthen the administration of justice system and to protect the rights of United Nations staff members in particular. While some of the Secretary-General's proposals had merit, others such as the proposal to abolish the Panel on Discrimination and Other Grievances and to have the Secretary-General appoint the judges of the Dispute Tribunal needed to be carefully weighed. Doing so might place staff at an even greater disadvantage in disputes with management.

58. **Mr. Shcherbak** (Russian Federation) said that the proposed programme budget was intended to demonstrate the progress made in reforming the United Nations with a view to improving its effectiveness in carrying out the decisions of the intergovernmental organs. The apparent increase of 0.5 per cent over the budget for the current biennium was deceptive, since it did not take into account such elements as the possible financial implications of the reform initiatives relating to human resources management, information and communications technology, the administration of justice, additional expenditures on special missions, the reform of the Department of Political Affairs, and the activities of the Human Rights Council. Accordingly, the true level of the budget might rise to over $4.6 billion, which constituted a substantial increase far beyond the frameworks set out in General Assembly resolution 61/254.

59. His delegation shared the Advisory Committee's concern about the Secretariat's increasingly piecemeal approach to budgeting, which undermined budgetary discipline and made it difficult for Member States to take informed decisions. The Secretary-General should ensure compliance with the established financial and budgetary rules and procedures and schedule the presentation of new initiatives within the existing budget cycle. His delegation was ready to consider additional specific reform proposals and looked forward to receiving the corresponding detailed reports. It remained unconvinced, however, that decisions on the financial implications of such proposals should be taken at the current session, especially in view of their unacceptably late presentation and the failure to observe the applicable rules.

60. In the discussion of the proposed programme budget, the Russian delegation would stress the need to contain unjustified growth in budgetary expenditure, strengthen results-based budgeting and budget discipline, and improve programme evaluation. It would carefully assess the justification for additional requests and the possibility of meeting them by redeploying existing resources. Economy measures should not impair observance of the fundamental principles of the United Nations, in particular the need for a balance between savings and multilingualism and the central role of the intergovernmental organs in determining the Organization's priorities.

61. **Mr. Belinga Eboutou** (Cameroon) said that the 2005 World Summit had restored the problems of development to the centre of United Nations activities. It was in that spirit that the General Assembly had decided to include among the priorities of the biennium 2008-2009 the development of Africa and the promotion of economic growth and sustainable development. His delegation therefore welcomed the increase of 3.5 per cent in section 11 (United Nations support for the New Partnership for Africa's Development) of the proposed programme budget but noted with concern the decrease in extrabudgetary funding for the section. That decrease was due largely to the failure to fill posts. The post of Special Adviser on Africa, which had been vacant for over a year and which was crucial to the programme's success, must be filled without delay. The Economic Commission for

Africa should also be allocated sufficient resources to support its transformation into a more operational organization and the strengthening of its regional offices. He hoped that the current negotiations on the Development Account would lead to an increased appropriation.

62. He welcomed the increase in the resources allocated to the Office of the High Commissioner for Human Rights (OHCHR), since the promotion of human rights was also among the priorities for the next biennium. Regrettably, that increase had not had any effect on the resources of some regional offices. For example, despite repeated requests by the Assembly, no additional resources had been allocated to the Subregional Centre for Human Rights and Democracy in Central Africa which was seriously underresourced and received much smaller allocations than similar offices in Africa. The Subregional Centre covered 11 countries which, owing to the extremely difficult political situation in the subregion, urgently needed the support of the international community. The proposals referred to the Advisory Committee must be submitted to the Fifth Committee. It was a question not just of making the promotion of human rights a reality for the peoples of the subregion but also of carrying out the mandates deriving from the resolutions of the General Assembly. The credibility of the United Nations was at stake.

63. **Mr. Mohamad** (Sudan) said that the piecemeal method of presenting the budget, which made it difficult for Member States to review the proposals, was itself an example of the lack of transparency that Member States had been complaining of. Resources had been diverted from development activities to political departments and peacekeeping operations that treated the symptoms rather than the root causes of problems. If more attention was not paid to the developing world, and in particular to Africa, then the Millennium Development Goals would remain a mirage. Support for ECA was urgently needed, and the continued vacancy in the post of Special Adviser to the Secretary-General on Africa was a violation of the General Assembly resolution that had created it.

64. While developing States were forced to take food out of the mouths of their peoples in order to pay their contributions, the Organization had still not learned its lesson about dubious resource management and murky procurement practices. The lack of transparency was exemplified by the extraordinary and unwarranted expenditures on the African Union-United Nations Hybrid Operation in Darfur (UNAMID), which had been authorized by the Secretary-General without the knowledge of the Member States. It was not as though UNAMID had appeared suddenly out of nowhere, and the Secretariat might have avoided the need for extraordinary measures with some planning. In particular, his delegation requested formal clarification of the $250 million non-competitive, single-source contract awarded to PAE/Lockheed. The drop from the original figure of $700 million to $250 million in itself needed explanation. He also noted that United Nations missions tended to become isolated islands in the countries in which they operated, engaging in consumption patterns that were disruptive to local economies and making most of their purchases overseas. There were other concerns about the extraordinary measures with respect to UNAMID that he would raise during discussions of the agenda item.

65. **Mr. Al Fadhli** (Kuwait) reaffirmed the importance of the role of the General Assembly and other relevant organs of the United Nations in matters pertaining to planning, programming, budget preparation, monitoring and evaluation. Greater attention should be paid to development activities, particularly those aimed at the developing countries and at achieving the Millennium Development Goals.

66. The reform of the United Nations was not an end in itself but rather a means of creating a more effective organization which could fulfil its mandate. It was essential in that context to strengthen transparency and oversight and to uphold the principle of equitable geographical distribution in the selection of duly qualified candidates for new posts. An immediate start should be made on implementation of the capital master plan in accordance with accelerated strategy IV, since delay would have additional implications for the budget.

67. **Mr. Davide** (Philippines) said that the proposed programme budget was not just a compilation of numbers but a fiscal blueprint of the policies, strategies and activities of the Organization. It should maintain a balance between the Organization's three pillars of the promotion of peace, development and human rights. There had already been many proposals on peace and human rights but strikingly few on development. In view of the urgent need to augment the Organization's capacity to implement the development agenda, the Secretary-General's assurance that he would reinforce

the work on South-South issues was a welcome response to the call by the Group of 77 and China for comprehensive strengthening of the development machinery. The Secretary-General's proposals on the allocation of adequate resources for that purpose were eagerly awaited. Concern remained, however, about the consolidation of activities within the United Nations system, since that would diminish their development component.

68. His delegation recognized that conference servicing constituted the bulk of the Organization's daily operations and acknowledged the efforts of the Department for General Assembly and Conference Management to improve its performance and output. He looked forward to the Department's continued efforts to ensure the quality of interpretation and translation, provide full servicing for meetings, particularly those of political and regional groups, process documents in good time, and maintain high standards of printing and publishing, bearing in mind that the key performance indicator was the satisfaction of Member States. The question of the developing countries' share of procurement opportunities, which was a source of great concern to his delegation and to the Group of 77 and China as a whole, must be discussed and acted upon at the current session.

69. **Mr. Al-Tamimi** (Qatar) said that, given the many global problems the United Nations was called upon to confront, the idea of basing the budget on the zero-growth principle was troubling. Administrative reform was certainly important, but beneficial programmes should not be scaled back in the name of good management. Similarly, the role of the General Assembly and the principal organs should not be diminished in the process of reallocating resources. Directing resources towards peacekeeping should not entail diverting them from development and human rights. Equitable geographic distribution, transparency and accountability should be observed in the allocation of posts within the Organization, and policies should be developed to ensure effective and responsible management of missions.

70. He stressed the importance of CPC and of ACABQ, which needed to be augmented by additional personnel. Lastly, Member States should fulfil their financial commitments to the Organization on schedule.

71. **Ms. Bárcena** (Under-Secretary-General for Management) reiterated the Secretary-General's assertion that the proposed programme budget for the biennium 2008-2009 reflected the inextricable link between human rights, peace and security, and development. Accordingly, resources to support development activities had been channelled not only to the sections of the budget devoted to economic and social affairs but also to those dealing with human rights and peace and security. Moreover, in addition to the 0.5 per cent growth in parts IV and V of the proposed programme budget (International cooperation for development and Regional cooperation for development), there had been an estimated increase of over $50 million in extrabudgetary resources for part IV. The Secretary-General also intended to submit restructuring proposals in order to strengthen the Department of Economic and Social Affairs, UNCTAD and the regional commissions. Efforts were also under way to ensure that the United Nations system as a whole improved its capacity to deal with development-related challenges.

72. With regard to the estimated decline in extrabudgetary resources for the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and for NEPAD, she stressed that programme implementation would not be adversely affected by the projected change. As far as the Office of the High Representative was concerned, the estimates for the biennium 2008-2009 related solely to the cost of facilitating the participation of representatives of the least developed countries in meetings of the Economic and Social Council. During the biennium 2006-2007, in addition to the amounts allocated for participation in meetings of the Economic and Social Council, resources had also been required for the midterm review of the Brussels Programme of Action and other conferences. To date, extrabudgetary resources for the Office of the Special Adviser on Africa had been used to finance the activities of the Secretary-General's Advisory Panel on International Support for NEPAD, which had now completed its work. If the Panel was subsequently reconstituted, appropriate resources would be mobilized.

73. The report of the Secretary-General on the Development Accounts (A/62/466) addressed the critical issue of identifying efficiency gains and set out options for identifying additional resources. The

Secretariat intended to work closely with Member States to find ways of strengthening the Account.

74. In response to a number of requests for information about efficiency gains resulting from the implementation of reforms or monitoring and evaluation recommendations, she drew attention to the report of the Secretary-General on progress and impact assessment of management improvement measures (A/62/69). The introduction of strengthened information technology systems was expected to enhance the Secretariat's capacity to report more accurately on efficiency gains.

75. While significant improvements had been made to the results-based budgeting process, further efforts were needed in the area of reporting. Feedback should be submitted in a timely manner so as to ensure that it was taken into account during subsequent planning and budgeting exercises. In that regard, the ongoing review of results-based management was expected to identify weaknesses to be addressed. The Secretariat would report on that review later in the session.

76. With regard to the issue of discontinued outputs, she drew attention to paragraph 16 of the foreword and introduction to the proposed programme budget for the biennium 2008-2009 (A/62/6 (Introduction)) and to the information contained in table 5 of the related report of the Advisory Committee (A/62/7). When evaluating the discontinued outputs, it was important to take account of the significant number of new outputs in the proposed programme budget.

77. With regard to human resources issues, the Secretary-General attached great importance to the equitable geographical distribution of staff and to gender balance. He would continue to ensure that the appropriate policies were fully applied, bearing in mind that 62 per cent of the Organization's staff now worked away from Headquarters. Updated information on current vacancy rates would be provided during informal consultations. It should be noted that, while vacancy rates varied by office and duty station, the overall realized vacancy rates for the regular budget were within 1 to 2 per cent of budgeted rates.

78. Lastly, she assured the Committee that, when the proposed budgets for special political missions were submitted in November 2007, the Secretariat would address Member States' concerns about related administrative and budgetary matters.

79. **Mr. Sach** (Controller) recalled that the methodology used for the preparation of the proposed programme budget was based on that endorsed by the General Assembly in its resolution 47/212A. In accordance with that methodology and with the Financial Regulations and Rules, the revised appropriation level of $4.173 billion for the biennium 2006-2007, as approved by the General Assembly in its resolution 61/253, was the basis against which change had been calculated. Consequently, the proposed level of $4.195 billion for the biennium 2008-2009, before recosting, reflected an increase of merely $21.3 million, or 0.5 per cent real growth. Although small, that increase could not be characterized as zero nominal growth.

80. Since the General Assembly had decided to maintain the practice of costing new posts with a delayed recruitment factor, it had become established practice to provide supplementary information on the delayed impact of new posts to the Advisory Committee during its review of the proposed programme budget. Table 2 of the Advisory Committee's report (A/62/7) contained details of the estimated delayed impact in 2010-2011 of new posts proposed in 2008-2009. If the Fifth Committee so decided, future budget proposals could be adjusted to include that information.

81. With regard to the concerns expressed about the piecemeal approach to the budget process, the Secretary-General fully appreciated the need for budget discipline. However, he had to maintain a balance between that need and his obligation to implement approved mandates. The initial proposals were strictly in line with the guideline of 0.5 per cent real growth, while the proposed add-ons, presented either as statements of programme budget implications following the adoption of resolutions or as revised estimates following the submission of mandated reports, responded to the dynamic nature of Member States' requests. Those mechanisms were not new, but perhaps the current level of programme activity was.

82. Recent years had seen the implementation of significant reform initiatives, and a series of new proposals relating, inter alia, to the overhaul of the system for the administration of justice and the introduction of a new accountability framework, were currently on the table. In light of those and other mandates entrusted to the Organization by the Main Committees of the General Assembly and other

subsidiary bodies, the Secretary-General had recommended that the level of the contingency fund for the biennium 2008-2009 should be set at 1.35 per cent. However, while the General Assembly had decided to maintain a level of 0.75 per cent, it had nevertheless requested a review of the experience of the utilization of the fund. The outcome of that review was contained in document A/62/229, in which the Secretary-General concluded that, inter alia, if the contingency fund was to be maintained as a key element of budgetary discipline, it would need to be established at realistic levels consistent with programmatic decisions and mandates. Furthermore, if the overall level of predictability of resources desired by Member States was to be achieved, consideration must continue to be given at the time of the consideration of each budget outline to establishing the contingency fund for the related biennium at a level that would provide for those additional expenditures that the fund would be expected to bear during the period.

83. In view of the decision to maintain the level of the contingency fund at 0.75 per cent, every effort had been made to handle additional requirements in accordance with the provisions of General Assembly resolutions 41/213 and 42/211, including through assessing opportunities to redeploy resources or defer activities. While time constraints had made it impossible to include all such proposals in the proposed programme budget, the Secretariat had adhered strictly to established practice, submitting programme budget implications or revised estimates to the General Assembly for its consideration.

84. Although, pursuant to resolutions 41/213 and 42/211, additional requirements relating to peace and security or to the impact of recosting were not charged to the contingency fund, in recent years the General Assembly had taken action to appropriate additional requirements for the implementation of reform initiatives outside the framework of the fund. Such action had proven necessary despite the procedures in place for reviewing existing capacity at the time of issuance of each programme budget implication or revised estimate.

85. Turning to the Secretary-General's limited budgetary discretion, he pointed out that the $20 million available for each biennium could not be used prior to the start of any given biennium. During the biennium 2006-2007, the Secretary-General had used his discretionary authority to put in place preparedness measures for pandemic influenza and avian flu. Some $13 million of the $20 million available had been used during the current biennium; more detailed information would be provided in the context of the second performance report. The Secretary-General would use his discretionary authority to meet any requirements arising during the course of the biennium 2008-2009 that were consistent with the provisions of General Assembly resolution 60/283, subject to the identification of the necessary savings.

86. Lastly, with regard to the perceived need to increase involvement of developing countries and countries with economies in transition in procurement activities, a separate report on the status of procurement reform, including arrangements to further diversify sources, would be before the Committee later in the current session. Issues relating to contracts concluded for the African Union-United Nations Hybrid Operation in Darfur would be addressed in the context of the Committee's consideration of its budget.

87. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) asked the representative of Pakistan to clarify, with reference to specific observations and recommendations set out in document A/62/7, the assertion made at the Committee's 10th meeting that some of the Advisory Committee's observations and recommendations did not fall within its mandate or did not take account of the mandate of the General Assembly or the provisions of the Charter.

88. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, commended the Secretary-General for his intention to submit proposals designed to strengthen the Organization's development agenda. Those proposals should be submitted as soon as possible so that Member States could assess their merits and compare them to other such add-ons. In that connection, and given the potentially significant impact of those add-ons on the overall level of the regular budget for the forthcoming biennium, a comprehensive report should be issued without delay. The Group of 77 and China took the view that estimated resource requirements for a number of add-ons, such as the new enterprise resource planning system, implementation of the decisions of the Human Rights Council and the adoption of the International Public Sector Accounting Standards, could have been prepared earlier. Furthermore, the Secretariat should have taken greater

care to ensure that the timing of its reform initiatives coincided with the budget cycle.

89. The Group of 77 and China was extremely concerned about the status of the Development Account. It was clear from the relevant reports that the measures taken by the General Assembly to increase the balance of the Account through efficiency gains had not been effective. Programme managers were failing to comply with General Assembly mandates because they had their own priorities, and a fresh approach was therefore needed.

90. With regard to the Secretary-General's limited budgetary discretion, the Group would be interested to know whether he intended to enter into commitments for the remaining $7 million available for the biennium 2006-2007. While it was important to ensure that expenditure of that magnitude was appropriately justified, steps should be taken to ensure that discussion of any relevant proposals did not hinder consideration of development-related activities.

91. The Group of 77 and China hoped that the forthcoming reports on procurement would take account of the concerns expressed about the exceptional arrangements made in respect of one particular peacekeeping mission. Lastly, in response to the comments made by the Chairman of the Advisory Committee, the Group of 77 and China reiterated its assertion that the Advisory Committee should have exercised more restraint when formulating its observations and recommendations, as some of them exceeded the scope of its mandate.

92. **Mr. Tawana** (South Africa) reiterated the request made by the representative of Botswana at the Committee's 10th meeting for more information about the vacancy situation in the Office of the Special Adviser on Africa. In particular, he would like to know more about the specific steps taken to fill the post of Special Adviser and the difficulties encountered. It would also be useful to know how the funds reserved for the salaries associated with the vacant posts were currently being used.

93. **Ms. Samayoa-Recari** (Guatemala) recalled that, as part of the redeployment experiment, a P-3 post had been allocated to the Permanent Forum on Indigenous Issues. Since the General Assembly had decided to discontinue that experiment, she had expected the post to be accounted for in the proposed programme budget for the biennium 2008-2009. That did not appear to be the case, however, and she would therefore be grateful for an explanation, in writing, of that situation.

94. **Mr. Rosales Díaz** (Nicaragua) reiterated his previous request for clarification regarding the failure to fill the newly established post of Under-Secretary-General for Field Support.

95. **Mr. Sach** (Controller), responding to the question raised by the representative of Pakistan, said that, in accordance with the provisions of General Assembly resolution 60/283, any further use of the Secretary-General's limited budgetary discretion during the current biennium would require the prior concurrence of the Advisory Committee. In the unlikely event that the Secretary-General decided to enter into commitments for the remaining $7 million, those funds would have to be used before the end of the current biennium and would need to be offset by savings identified and attained during the course of the biennium.

The meeting rose at 1 p.m.

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Summary record of the 12th meeting
Held at Headquarters, New York, on Monday, 29 October 2007, at 10 a.m.

Chairman: Mr. Ali ..... (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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Agenda item 129: Programme planning

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07-56742 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 129: Programme planning (A/62/16 and A/62/81)

1. **Mr. Adam** (Chairman of the Committee for Programme and Coordination) introduced the report of the Committee for Programme and Coordination on its forty-seventh session (A/62/16).

2. Chapter III B of the report, which dealt with changes to the biennial programme plan as reflected in the proposed programme budget for the biennium 2008-2009, contained a number of conclusions and recommendations on programmes and subprogrammes.

3. Under the item entitled "Review of the efficiency of the administrative and financial functioning of the United Nations", the Committee had considered the Secretary-General's report on progress and impact assessment of management improvement measures and had recommended that the General Assembly should review the usefulness of the preparation of the report and decide on the necessity of the further consideration of the report by the General Assembly and the Committee.

4. The Committee had also considered the report of the Secretary-General on experience gained in the planning and budgeting process and had recommended, inter alia, that the General Assembly should decide to maintain the strategic framework as the principal policy directive of the United Nations and to continue to include part one: plan outline in that framework. The Committee had also requested the Secretary-General to submit a report on new and/or revised mandates that the General Assembly had approved subsequent to the adoption of the biennial programme plan.

5. On the topic of evaluation, the Committee had considered the reports of the Office of Internal Oversight Services (OIOS) on the in-depth evaluation of political affairs. In that connection, it had recommended that the General Assembly should endorse a number of the recommendations made by OIOS and had reiterated the importance of the evaluation function.

6. With regard to coordination questions, the Committee had made a number of recommendations relating to the annual overview report of the United Nations System Chief Executives Board for Coordination for 2006/07. It had welcomed the latter's initiative to conduct a review of its functioning and emphasized the need to make the Board more efficient, results-oriented, transparent and accountable to Member States. The Committee had also made recommendations on the Secretary-General's report on United Nations system support for the New Partnership for Africa's Development (NEPAD), welcoming the renewed commitment of the United Nations system to provide coordinated support for NEPAD, as evidenced by the emergence of the enhanced 10-year capacity-building programme.

7. At its forty-seventh session, the Committee had also made a number of concrete proposals designed to improve its working methods and procedures within the framework of its mandate. The Committee's related conclusions and recommendations were contained in paragraphs 146 to 159 of its report.

8. **Ms. Van Buerle** (Director, Programme Planning and Budget Division), introducing the report of the Secretary-General on experience gained in the planning and budgeting process (A/62/81), drew attention to paragraph 10, which described the background to the issue. The experience gained since the adoption of General Assembly resolution 58/269 suggested that the two-year duration of the plan was appropriate, since it provided programme managers with a planning tool that was easily translated into a biennial programme budget. Since the programmatic elements of the proposed programme budget now had to be identical to the plan, the preparation of the budget was a less time-consuming exercise. Member States did, however, have the opportunity to review the plan prior to the start of the budget preparation and to provide the requisite guidance to the Secretary-General on the formulation of the budget to ensure implementation of the programme of work.

9. There had been general agreement on the presentation of the logical framework contained in part two: biennial programme plan. While there was still room for improvement, particularly with regard to the selection of meaningful key indicators, the format of the plan had, for the most part, been effective in implementing results-based management concepts. The focus was no longer on outputs and activities but rather on expected accomplishments and how to measure their achievement.

10. The Committee for Programme and Coordination was responsible for reviewing modifications to the

budget arising from new or revised mandates. In that regard, a number of changes had been made to the proposed programme budget for the biennium 2008-2009 and a consolidated report, contained in document A/62/80, had been submitted to the Committee together with the applicable budget sections. She also drew the Fifth Committee's attention to document A/62/80/Add.1, which described a number of further changes relating to programme 4, Peacekeeping operations, as requested by the Committee for Programme and Coordination in paragraph 62 of its report.

11. In accordance with the recommendation of the Committee for Programme and Coordination contained in its report on its forty-fifth session, the proposed programme budget for the biennium 2008-2009 also contained the overall orientation for each programme presented in the biennial plan. Each budget section, by necessity, also contained a brief summary of budget matters with respect to overall changes to the section. Although different approaches had been taken to the presentation of part one: plan outline of the strategic framework for the bienniums 2006-2007 and 2008-2009, the General Assembly had, on both occasions, approved only part two: biennial programme plan. The Fifth Committee would therefore need to consider whether to continue including part one: plan outline in the strategic framework.

12. Linked to better planning, budgeting and implementation efforts was the adequacy of an effective monitoring and evaluation system. In its resolution 61/245, the General Assembly had requested a review of results-based management at the United Nations, the results of which would be presented to the Fifth Committee later in the session. Actions taken as a result of that review were expected to build on the gains made in programme planning and budgeting.

13. Depending on the decisions taken on the experience gained since the adoption of resolution 58/269, the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation would need to be reviewed and revised. Additional actions required of the General Assembly were set out in paragraph 43 of the report.

14. **Ms. Mesquita** (Portugal), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina and Serbia; and, in addition, Armenia, Georgia, Moldova and Ukraine, said that the outcome of the forty-seventh session of the Committee for Programme and Coordination illustrated that it was possible for Member States to reach common ground when they had a shared interest in improving the functioning and effectiveness of the Organization.

15. The European Union commended the Committee for having engaged in a useful exchange of views on its activities, working methods and role within the United Nations system and welcomed the measures to enhance the effectiveness of its decisions. The European Union therefore reiterated its willingness to support the Committee in the discharge of its mandate, which consisted in giving guidance on programme design and assuring the necessary coordination in order to avoid duplication. In that connection, results-based management was an important precept.

16. Secretariat support was vital if the Committee for Programme and Coordination was to make the best use of its time. Furthermore, closer cooperation between the Committee and other relevant bodies and departments would enhance the quality and timeliness of its work.

17. **Ms. Jan** (Pakistan), speaking on behalf of the Group of 77 and China, underscored the importance of the Committee for Programme and Coordination as the main subsidiary organ of the General Assembly and the Economic and Social Council for planning, programming and coordination. The Committee not only gave the Secretariat guidance on programme design by interpreting legislative intent but also considered and developed evaluation procedures for the improvement of programme design and made recommendations to avoid duplication of work. The Committee's activities were central to the General Assembly's ability to provide oversight in the area of programme planning. In that connection, the Group of 77 and China commended the Committee for its efforts to improve its working methods. Those improvements, which would certainly add value to its work, illustrated the Committee's ability to respond to the Organization's changing needs.

18. The Group fully endorsed the recommendations contained in the Committee's report on its forty-seventh session. In particular, the Group agreed with the

Committee that the format, content and duration of the strategic framework, including part one: plan outline, should be maintained. Part one was an essential component of the plan because it captured the longer-term objectives of the Organization, but its format should be improved in order to better reflect agreed priorities.

19. While welcoming the Committee's guidance on the programmatic aspects of the changes to the biennial programme plan, the Group of 77 and China had noted with concern that not all the budget fascicles had been available during the Committee's discussion of the relevant item and that there were inaccuracies in the translation of some fascicles. It was particularly important for the General Assembly to take a decision on those changes because they would have a direct impact on the implementation of the budget for the forthcoming biennium.

20. The Group had taken note of the initiative of the Chief Executives Board to conduct a review of its functioning, and it highlighted the Committee's recommendation that the Board should continue to monitor the effective collaboration of system-wide efforts against hunger and poverty. As far as NEPAD was concerned, the Group of 77 and China agreed with the Committee that the Special Adviser on Africa had a crucial role to play in inter-agency cooperation and in institutionalizing United Nations system support for NEPAD. It therefore urged the Secretary-General to fill that post as soon as possible.

21. **Mr. Hillman** (United States of America), recalling that the Committee for Programme and Coordination (CPC) had been established as the main subsidiary organ of the General Assembly and Economic and Social Council for planning, programming and coordination, indicated that the United States had vigorously supported it, expecting it to serve as an intergovernmental tool to coordinate activities within the United Nations system and to evaluate United Nations programmes in depth. The United States had served continuously as a member of CPC for 30 years.

22. As originally envisioned, CPC was to review legislative mandates, aiming to eliminate duplication and overlap in the work of the Organization and therefore to ensure that the resources provided by the Member States would be used to maximum advantage. However, there were currently over 9,000 current mandates. Accordingly, as CPC had failed in its primary coordination function and had made little progress in reforming its working methods and procedures, the United States had decided not to seek re-election when its term had expired in December 2006. In the previous several years, CPC had disappointed his country, which believed that priorities must be reoriented so that CPC functioned as intended. Until such a reorientation occurred, the United States wondered whether CPC should continue, at least in its current form.

23. There was a need for CPC to enhance its review of performance and evaluation reports and focus on addressing the relevance, usefulness, efficiency and effectiveness of the work carried out. It should provide action-oriented recommendations rather than serving as yet another forum for members to express and debate their differing views on programmes. As programme planning was essential to the ongoing success of the Organization, a lack of effective coordination would lead to the continued waste of valuable resources and a failure to achieve desired objectives.

24. **Mr. Spirin** (Russian Federation), recalled that, pursuant to General Assembly resolution 58/269, CPC must review any changes to the biennial programme plan made, subsequent to its approval by the General Assembly, as a result of decisions of intergovernmental bodies. In the view of his delegation, CPC should be guided in that task by the need to ensure that expected accomplishments fully conformed with the mandates of the intergovernmental bodies and that indicators of achievement corresponded closely with expected accomplishments and were evaluated in quality and quantity terms.

25. Suitable methods of results-based planning should be developed to enable the Organization to react more precisely to new challenges and changes in priorities and also to make the Secretariat more accountable and allow the accomplishment of objectives and outputs to be assessed. However, his delegation understood that the Secretariat was often reluctant to include indicators of achievement in the programme plan because they were complex to establish. The Member States had an essential role to play in determining such indicators, so that the work of the Secretariat could be properly evaluated and so that the programme plan could be adjusted where appropriate. The system of programme planning should help the Member States to assess the achievement of

the objectives established and the adequacy of the resources allocated for that purpose.

26. Turning to the report of the Secretary-General on experience gained in the planning and budgeting process (A/62/81), he said that, while the Russian Federation was generally satisfied with the course of the budget-process reform experiment, it saw a need for further improvement of the results-based budget format to ensure better use of financial and human resources while complying with the Organization's priorities and the principle of strict budget discipline. It was important to keep in mind that determining the Organization's priorities was the unconditional prerogative of the Member States, which must be involved at all stages of budget preparation and implementation, and that the Advisory Committee should continue to examine budget outlines and proposals.

27. Attention should be paid to the suggestions of the Secretary-General that the Regulations and Rules Governing Programme Planning should be reviewed and that proposals for further modification should be submitted for consideration by the General Assembly at its sixty-fourth session; that results-based management should be further strengthened; and that senior managers should receive appropriate training on the programme planning, budgeting, monitoring and evaluation cycle.

28. Recalling that CPC, since its thirty-eighth session, had considered the agenda item entitled "Improving the working methods and procedures of the Committee for Programme and Coordination within the framework of its mandate", and that active debate had taken place on the future of CPC and on improving its output, his delegation noted that for the first time in a number of years CPC had managed to agree on a package of measures to improve its effectiveness and the input it provided for the Member States. Consequently, that recurring item could be removed from the agenda, thereby enabling CPC to focus on such substantive issues as strengthening strategic frameworks and improving programme planning and evaluation and to provide the Member States with targeted and reasoned recommendations on those and other issues.

29. **Mr. Yaroshevich** (Belarus) emphasized that CPC fulfilled an essential mandate as the main subsidiary organ of the General Assembly and the Economic and Social Council concerned with planning, programming and coordination. Only active participation by the Member States would enable CPC to improve its work. In his view, its recommendations regarding the strategic framework for 2008-2009 fully reflected the priorities for the United Nations system. He welcomed the additional changes which CPC had made to the biennial programme plan and urged the Fifth Committee to examine closely programme 11, Environment, with an eye to the forthcoming expansion of the United Nations Scientific Committee on the Effects of Atomic Radiation.

30. He wished to emphasize that, while some aspects of the report of the Secretary-General on progress and impact assessment of management improvement measures (A/62/69) were positive, others required substantial improvement. The report should focus more on analysis and less on enumerating actions taken by the Secretariat. Although his delegation had noted some measure of progress in the implementation of the tasks which Member States had set the Secretariat in the fields of information and communications technology, improving budgeting and financial management and procurement, it took issue with the views expressed in paragraph 17 (b) of that report regarding enhancement of the Galaxy system, disagreeing that the seven-fold increase in applications for vacancies would lead to more effective management of human resources.

31. **Mr. Gehlot** (India) said that his delegation valued CPC's critical function of ensuring that the programmatic content of the budget conformed with legislative mandates. He welcomed the work of CPC at its recent session, despite the constraints brought by the problem of late issuance of documentation, which the Secretariat should address by adhering to the six-week rule. Demonstrating the spirit and will required to adapt to the fast-changing needs of the Organization, CPC had consolidated the progress it had made in recent years in improving its working methods and procedures.

32. The strategic framework should be maintained as the Organization's principal policy directive. Furthermore, the format of the plan outline should be improved to accurately reflect the priorities of the Organization, as agreed by the Member States, thus giving the Secretariat clear direction for the prioritizing of budget allocations and preventing high-priority areas such as development from being marginalized.

His delegation supported the CPC recommendations on the proposed programme budget for 2008-2009 but regretted that some budget fascicles had not been issued in time for CPC to consider them and expressed the hope that the problem would not recur. With specific reference to the CPC recommendations concerning the New Partnership for Africa's Development (NEPAD), it agreed that the role of the Special Adviser on Africa in global coordination of support for the Partnership was vital, that the vacant post should be filled rapidly and that United Nations support for NEPAD should move from debate, assessments and recommendations to tangible action and results in respect of NEPAD projects.

33. Having always supported monitoring and evaluation in the programme planning cycle, his delegation underscored the importance of the timing and sequencing of evaluation reports to enable management to incorporate the lessons learned from the process in designing future programmes.

34. **Mr. Cumberbatch Miguén** (Cuba) said that, as programme planning was of vital importance in achieving goals and translating the legislative mandates of intergovernmental organs into programmes designed to improve development and well-being, every phase of the planning process should be monitored and the recommendations of CPC should be heeded. However, while the steps which CPC proposed to take to improve its working methods were commendable, it had failed to consider some parts of the proposed programme budget which had been expected to be ready at the previous session of the General Assembly in accordance with regulation 5.7 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. That had stood in the way of fulfilment of the provisions of paragraph 3 of General Assembly resolution 58/269 regarding Member States' participation in the budget process.

35. Noting a tendency for the programme narratives of the programme budget fascicles to diverge from the biennial programme plan, departing from intergovernmental agreements, reflecting the interests and vision of certain Member States and lacking the support of any legislative mandate, he emphasized that such a situation fostered mistrust between delegations and called into question the impartial and neutral role of the Secretariat. He urged the Secretary-General to ensure that the narratives and the programme plan for the biennium 2010-2011 were identical.

The meeting rose at 11.05 a.m.

United Nations A/C.5/62/SR.13

General Assembly
Sixty-second session

Official Records

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Fifth Committee

Summary record of the 13th meeting
Held at Headquarters, New York, on Tuesday, 30 October 2007, at 10 a.m.

Chairman: Mr. Ali ..... (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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Agenda item 128: Proposed programme budget for the biennium 2008-2009 (*continued*)

Development Account

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07-57017 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 128: Proposed programme budget for the biennium 2008-2009 (*continued*)

Development Account (A/62/7/Add.6, A/62/123 and A/62/466)

1. **Ms. Van Buerle** (Director, Programme Planning and Budget Division), introducing the fifth progress report of the Secretary-General on the implementation of projects financed from the Development Account (A/62/123), said that the report provided information on the progress made with the Development Account, an update on its management and coordination, and an overview of the way forward. As at 30 April 2007, 90 projects had been or were being implemented, for a total amount of $65 million. The projects were funded in the tranches or thematic clusters shown in table 2: tranches 1 to 3 had now been closed; the original average budget per tranche of $930,000 had been reduced to $650,000 in the light of experience in order to reconcile the capacity to execute projects within existing staff resources over a time frame of under four years. Joint implementation by two or more implementing entities had emerged as a cost-effective way of operating across sectors and regions.

2. The design of projects funded from the Development Account had evolved, and the implementing entities now had a better grasp of the logical framework; the quality of projects had also improved considerably. In accordance with a recommendation of the Board of Auditors, the Development Account progress reports, including final evaluations and external evaluations made on project completion, were now submitted in a more timely manner, and communication with the implementing entities had improved.

3. Turning to the report of the Secretary-General on the Development Account (A/62/466), she said that part one of the report reviewed the impact of the Development Account in terms of its aims and purposes. Each project was intended to benefit multiple developing countries, encourage cooperation among United Nations bodies, secure innovation while producing a sustainable impact, and use mainly the resources available in the developing countries; regional and interregional joint activities were also encouraged. Paragraph 22 summarized the seven commonest responses by implementing entities as to the importance of the Development Account, while paragraphs 32 to 50 discussed the five major aims and purposes, which the entities generally considered were being achieved.

4. In part two of the report, paragraph 68 revisited the six major types of efficiency measures originally identified in the report of the Secretary-General on the Development Account (A/52/1009). It had been concluded that while efficiency measures might produce productivity gains it was impossible to quantify them, but they had been channelled back to the relevant programmes and sections in order to improve programme delivery. Paragraph 78 listed a number of options for identifying additional resources for the Development Account, while the recommended action by the General Assembly was set out in paragraph 80.

5. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee's recommendations on the two reports of the Secretary-General were incorporated in paragraphs 13 and 14 of its seventh report (A/62/7/Add.6). The Advisory Committee noted that calls by the General Assembly for the Secretary-General to identify additional resources for the Development Account had not met with success. It was of the view that the funding mechanism of the Account, as currently designed, had not proven to be successful. Furthermore, the three options proposed by the Secretary-General in his report (A/62/466) did not represent realistic or reliable solutions to the fundamental problem of the funding mechanism. Further to its resolution 56/237, in which the General Assembly reiterated its decision to keep the implementation of the Development Account under review, the Assembly might wish to review the Account in all its aspects.

6. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, said that in 1997, in his report "Renewing the United Nations: a programme for reform" (A/51/950), the Secretary-General had proposed creating a "dividend for development" in the region of $200 million: 10 years on, the Development Account had received only five modest tranches of $13,060,000, despite the fact that, as the Secretary-General confirmed, the projects funded from the Account met the highest standards of efficiency and had a positive impact on the development efforts of many developing countries.

7. The Group would welcome clarification of the reasons for the worrying situation described in table 2 of the Secretary-General's report (A/62/466). It was regrettable that the $2.5 million identified in General Assembly resolution 61/252 for transfer to the Development Account had not materialized. Furthermore, the three options for identifying additional resources set out in paragraph 78 of the report were of no practical value. Since the report clearly suggested that meaningful savings or efficiency gains were not foreseeable, the General Assembly must take decisive action at the present session to appropriate resources for the Development Account under the regular budget, and the Secretary-General should be requested to divert to the Account the balance of the $20 million available for use in accordance with the limited budgetary discretion accorded to the Secretary-General by General Assembly resolution 60/283.

8. **Mr. Firmin** (Dominican Republic), speaking on behalf of the Rio Group, said that none of the requests made to the Secretary-General by the General Assembly in its resolution 61/252 had produced a satisfactory response. The level of resources allocated to the Development Account over the past five bienniums had decreased in real terms. The Rio Group would have expected to receive a proposal which took due account of the interest in the issue shown by the Member States, in particular the developing ones. The General Assembly should take at the present session a firm decision to increase the level of resources substantially in the biennium 2008-2009. The Group fully endorsed the recommendations of the Advisory Committee in that connection.

9. The Development Account had financed projects in the Latin American region, notably with the support of the Economic Commission for Latin America and the Caribbean, but it was worrying that the region had not received its fair share of attention. The Development Account must continue to receive support, both because there could be no peace and security without development and because it was an essential means of fulfilling the mandates agreed at the development summits.

10. **Mr. Alouan Kanafani** (Venezuela) said that the discussion of the Development Account provided an opportunity to examine all possible funding options for supporting the efforts of the developing countries to attain the Millennium Development Goals. However, his delegation had to agree with the Advisory Committee that the calls by the General Assembly for the Secretary-General to identify additional resources for the Account had not met with success, that its funding mechanism had not proved to be successful, and that the Account's base was unlikely to grow. The Development Account could not subsist on non-existent surpluses from other accounts, in other words on nothing. It must be increased to the level originally proposed by the Secretary-General by means of effective mechanisms, including for example assessed contributions; and serious consideration should be given to transferring to the Account the balance of the amount available for use in accordance with the limited budgetary discretion accorded to the Secretary-General.

11. The developed countries must be reminded of the need for them to fulfil their commitment to channel 0.7 per cent of their gross domestic product (GDP) to the developing countries. Since peace and security were unattainable without development, greater attention must be accorded to development, which was after all one of the pillars of the United Nations.

12. **Mr. Krishnaswamy** (India) said that the Development Account was important because, apart from the regular programme of technical cooperation, it provided the only regular resources dedicated to technical cooperation for development. Through the Executive Committee for Economic and Social Affairs the programme managers had given the Account a ringing endorsement, and its beneficiaries also praised its relevance and utility. In his reports the Secretary-General also indicated that the Account had become an important low-cost capacity-building tool, with 70 per cent of the completed projects generating durable solutions to the problems tackled: the same could not be said for most of the Organization's other programmes.

13. In his introductory remarks on the proposed programme budget for the biennium 2008-2009 the Secretary-General had stated his intention of reinforcing South-South cooperation. Since the Development Account offered a cost-effective means of financing such cooperation, it was puzzling that, given the original indicative target of $200 million by 2003, it was stuck at a level of $16,480,000, especially in view of the large increase in the regular budget. The Development Account must not be made the scapegoat for profligacy in other parts of the Organization; rather,

it should be further strengthened by rectifying the reported shortcomings, which were due largely to the lack of a system for identifying efficiency gains. Other sources of predictable and sustainable funding must be explored, for the three options described in the report were unrealistic and impracticable. An effort must be made to increase the resources allocated to the Development Account in the programme budget for the next biennium.

14. **Mr. Rosales Díaz** (Nicaragua) recalled that the General Assembly had made its first appeal to the industrialized countries to allocate 0.7 per cent of their GDP to official development assistance (ODA) in 1970. Four decades later the level of ODA had reached just 0.33 per cent of GDP, despite the enormous challenges which had emerged during that period. Both mitigation of and adaptation to the effects of climate change, for example, were closely linked to patterns of development and consumption and to development policies. Now in 2007, half way to the time limit for attainment of the Millennium Development Goals, the conclusion was a bitter one: ODA had actually declined since 2005, and a further $50 billion would be required in order to meet the commitment to the developing countries.

15. Seen against the original target of $200 million, the amounts allocated to the Development Account were laughable: the Account represented only 0.37 per cent of the proposed budget for the next biennium, and even the $7 million available for use by the Secretary-General in accordance with his limited budgetary discretion had not been placed in the Account. The situation was truly lamentable. Accordingly, his delegation agreed fully with the Advisory Committee that the time had come to review the mechanisms for funding the Account and that the three options proposed by the Secretary-General did not represent realistic or reliable solutions. They did not include the obvious measure: allocation of resources by the Member States under the regular budget.

The meeting rose at 10.45 a.m.

United Nations A/C.5/62/SR.14

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Fifth Committee

Summary record of the 14th meeting
Held at Headquarters, New York, on Friday, 2 November 2007, at 10 a.m.

Chairman: Mr. Ali. . . . . (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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Agenda item 114: Appointments to fill vacancies in subsidiary organs and other appointments

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(c) Confirmation of the appointment of members of the Investments Committee

(d) Appointment of a member of the Board of Auditors

(e) Appointment of members of the United Nations Administrative Tribunal

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07-57762 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 114: Appointments to fill vacancies in subsidiary organs and other appointments

1. **The Chairman** drew the Committee's attention to rule 92 of the rules of procedure of the General Assembly concerning elections by secret ballot and to paragraph 16 of General Assembly decision 34/41 on the rationalization of the procedures and organization of the General Assembly.

(a) Appointment of members of the Advisory Committee on Administrative and Budgetary Questions (A/62/101/Rev.1; A/C.5/62/4)

2. **The Chairman** drew the Committee's attention to document A/62/101/Rev.1, in which the Secretary-General referred to rules 155 and 156 of the rules of procedure of the General Assembly, and invited the Assembly to appoint six persons to fill the vacancies that would arise in the membership of the Advisory Committee on Administrative and Budgetary Questions on 31 December 2007. In document A/C.5/62/4, the Secretary-General communicated the names of seven persons who had been nominated by their respective Governments for appointment or reappointment for a three-year term of office beginning on 1 January 2008. Since the number of candidates from the Group of Asian States and the Group of Latin American and Caribbean States corresponded to the number of vacancies for those regional groups, he took it that the Committee wished to recommend the candidates' appointment or reappointment by acclamation.

3. *It was so decided.*

4. *Mr. Hussain (Pakistan), Ms. Kaji (Japan) and Mr. Singh (India), in the case of the Group of Asian States, and Mr. Flores Callejas (Honduras), in the case of the Group of Latin American and Caribbean States, were recommended for appointment or reappointment to the Advisory Committee on Administrative and Budgetary Questions for a three-year term beginning on 1 January 2008.*

5. **The Chairman** reminded the Committee that, consistent with the practice of the General Assembly, if more than the required number of candidates had obtained the required majority, those who had obtained the largest number of votes above the required majority, up to the number of seats to be filled, would be recommended for appointment. He invited members to elect by secret ballot two candidates from the Group of Western European and Other States.

6. *At the invitation of the Chairman, Ms. Chirwa (Malawi), Mr. Tay Choon Hong (Singapore) and Mr. Yáñez Pilgrim (Bolivarian Republic of Venezuela) acted as tellers.*

7. *A vote was taken by secret ballot.*

Number of ballot papers:	191
Invalid ballots:	0
Number of valid ballots:	191
Abstentions:	3
Number of members voting:	188
Required majority:	95
Number of votes obtained:	
Mr. Maddens (Belgium)	128
Mr. Kramer (Canada)	127
Mr. Mir (United Kingdom)	106

8. *Having obtained the required majority and the largest numbers of votes, Mr. Maddens (Belgium) and Mr. Kramer (Canada) were recommended for appointment or reappointment to the Advisory Committee on Administrative and Budgetary Questions for a three-year term of office beginning on 1 January 2008.*

(b) Appointment of members of the Committee on Contributions (A/62/102/Rev.1; A/C.5/62/5 and Add.1)

9. **The Chairman** drew the Committee's attention to document A/62/102/Rev.1, in which the Secretary-General referred to articles 158 and 159 of the rules of procedure of the General Assembly and invited the Assembly to appoint six persons to fill the vacancies that would arise in the membership of the Committee on Contributions on 31 December 2007. In document A/C.5/62/5 and Add.1, the Secretary-General communicated the names of six persons who had been nominated by their respective Governments for appointment or reappointment for a three-year term of office beginning on 1 January 2008. Since the number of candidates from the Group of African States, the Group of Latin American and Caribbean States and the Group of Western European and Other States corresponded to the number of vacancies for those regional groups, he took it that the Committee wished to recommend the candidates' appointment or reappointment by acclamation.

10. *It was so decided.*

11. *Mr. Acakpo-Satchivi (Benin) and Mr. Bouheddou (Algeria), in the case of the Group of African States, Mr. Greiver del Hoyo (Uruguay) and Mr. Hermosillo Sosa (Mexico), in the case of the Group of Latin American and Caribbean States, and Mr. Eckersley (Australia) and Mr. da Fonseca Fernandes Ramos (Portugal), in the case of the Group of Western European and Other States, were recommended for appointment or reappointment to the Committee on Contributions for a three-year term beginning on 1 January 2008.*

(f) Appointment of members of the Independent Audit Advisory Committee (A/62/106; A/C.5/62/9)

12. **The Chairman** drew the Committee's attention to document A/62/106, in which the Secretary-General referred to paragraphs 3, 10, 11, 12 and 13 of the annex to General Assembly resolution 61/275 and pointed out the need to appoint five persons to fill the vacancies that would arise in the membership of the Independent Audit Advisory Committee. Also in document A/62/106, the Secretary-General referred to paragraph 7 of the annex to General Assembly resolution 61/275, whereby members of the Committee would serve for three years and could be reappointed for a second and final term of three years, with the exception of two of the initial five members of the Committee, who would be appointed by drawing of lots to serve for four years. In document A/C.5/62/9, the Secretary-General communicated the names of seven persons who had been nominated by their respective Governments for appointment.

13. In accordance with paragraph 3 of the annex to General Assembly resolution 61/275, the Committee would comprise five members, no two of whom would be nationals of the same State, appointed by the General Assembly on the basis of equitable geographical representation, personal qualifications and experience.

14. At its 58th meeting in June 2007, prior to the adoption of General Assembly resolution 61/275, the Chairman of the Fifth Committee had stated that, given the unique nature of the Independent Audit Advisory Committee, it was understood that each regional group would be entitled to one seat in the Committee. That understanding was also reflected in the note by the Secretary-General (A/62/106).

15. Since the number of candidates from the Group of African States, the Group of Asian States, the Group of Eastern European States and the Group of Latin American and Caribbean States corresponded to the number of vacancies for those regional groups, he took it that the Committee wished to recommend the candidates' appointment by acclamation.

16. *It was so decided.*

17. *Mr. Muwanga (Uganda), in the case of the Group of African States, Mr. Nath Kaul (India), in the case of the Group of Asian States, Mr. Dubinkin (Russian Federation), in the case of the Group of Eastern European States, and Mr. Strachan (Jamaica), in the case of the Group of Latin American and Caribbean States, were recommended for appointment to the Independent Audit Advisory Committee for a three-year term of office beginning on 1 January 2008, pursuant to paragraph 7 of the annex to General Assembly resolution 61/275.*

18. **The Chairman** drew the Committee's attention to rule 93 of the rules of procedure of the General Assembly and recalled that, consistent with the practice of the General Assembly, if more than the required number of candidates had obtained the required majority, those who had obtained the largest number of votes above the required majority, up to the number of seats to be filled, would be recommended for appointment. He invited members to elect by secret ballot one candidate from the Group of Western European and other States.

19. *At the invitation of the Chairman, Mr. Sena (Brazil), Mr. Teng Fei (China) and Ms. Repnik (Slovenia) acted as tellers.*

20. *A vote was taken by secret ballot.*

Number of ballot papers:	191
Invalid ballots:	4
Number of valid ballots:	187
Abstentions:	3
Number of members voting:	184
Required majority:	93
Number of votes obtained:	
Mr. Walker (United States of America)	99
Mr. Muñoz (Spain)	59
Mr. Sella (Switzerland)	26

21. *Having obtained the required majority, Mr. Walker (United States of America) was recommended for appointment to the Independent Audit Advisory Committee for a three-year term of office beginning on 1 January 2008, pursuant to paragraph 7 of the annex to General Assembly resolution 61/275.*

22. **The Chairman** invited the Committee to draw lots to select two members to serve for a period of four years, pursuant to paragraph 7 of the annex to General Assembly resolution 61/275.

23. *The Committee decided by the drawing of lots that Mr. Walker (United States of America) and Mr. Muwanga (Uganda) would serve for a period of four years, pursuant to paragraph 7 of the annex to General Assembly resolution 61/275.*

(c) Confirmation of the appointment of members of the Investments Committee (A/62/103 and A/C.5/62/6)

24. **The Chairman** drew the Committee's attention to document A/62/103, in which the Secretary-General referred to article 20 of the Regulations of the United Nations Joint Staff Pension Fund and invited the General Assembly to confirm the appointment or reappointment of the three persons whom he had designated to fill vacancies in the Investments Committee for a three-year term of office beginning on 1 January 2008. In document A/C.5/62/6, the Secretary-General submitted the names of three persons for confirmation by the General Assembly. Since the number of candidates corresponded to the number of vacancies, he took it that the Committee decided by acclamation to recommend that the Assembly should confirm the candidates' appointment or reappointment.

25. *It was so decided.*

26. *The Committee recommended that the Assembly should confirm the appointment or reappointment of Mr. Kassow (Germany), Mr. McDonough (United States of America) and Ms. Ploix (France) for a three-year term of office beginning on 1 January 2008.*

27. **The Chairman** indicated that, in accordance with past practice, the Secretary-General proposed to reappoint Mr. Pictet (Switzerland) as an ad hoc member of the Investments Committee for a one-year term beginning on 1 January 2008. He took it that the Committee decided to recommend that the Assembly should confirm his reappointment.

28. *It was so decided.*

29. *The Committee recommended that the Assembly should reappoint Mr. Pictet (Switzerland) as an ad hoc member to the Investments Committee for a one-term term beginning on 1 January 2008.*

(d) Appointment of a member of the Board of Auditors (A/62/104; A/C.5/62/7)

30. **The Chairman** drew attention to document A/62/104, in which the Secretary-General informed the General Assembly of the need to appoint the Auditor-General, or other officer holding the equivalent title, of a Member State to fill the vacancy that would arise on 30 June 2008 in the Board of Auditors. In his note A/C.5/62/7, the Secretary-General had informed the Assembly that the Government of China had nominated the Auditor-General of the General Audit Office of China for appointment. Since there was only one nomination to fill the vacant post, he took it that the Committee wished to recommend by acclamation the appointment of the Auditor-General of the People's Republic of China for a six-year term beginning on 1 July 2008.

31. *It was so decided.*

32. *The Committee recommended that the Assembly should appoint the Auditor-General of the People's Republic of China for a six-year term beginning on 1 July 2008.*

(e) Appointment of members of the United Nations Administrative Tribunal (A/62/105; A/C.5/62/8)

33. **The Chairman** drew the Committee's attention to document A/62/105, in which the Secretary-General referred to article 3, paragraphs 1 and 2, of the Statute of the United Nations Administrative Tribunal and invited the Assembly to appoint two persons to fill the vacancies that would arise in the membership of the Administrative Tribunal on 31 December 2007. Recalling that, in its resolution 61/261 of 4 April 2007 on the administration of justice at the United Nations, the General Assembly decided to continue consideration of that item during its sixty-second session as a matter of priority with the objective of implementing the new system of administration of justice no later than January 2009 and requested the

Secretary-General to ensure that the Joint Appeals Boards, the Joint Disciplinary Committees, the United Nations Administrative Tribunal and other bodies, as appropriate, continued to function until the new system was operational with a view to clearing all cases that were before them.

34. In document A/C.5/62/8, the Secretary-General communicated the names of two persons who had been nominated by their respective Governments for appointment or reappointment for a four-year term of office beginning on 1 January 2008. Since the number of candidates corresponded to the number of vacancies, he took it that the Committee wished to recommend the candidates' appointment or reappointment by acclamation.

35. *It was so decided.*

36. *Mr. Gordillo (Argentina) and Mr. Wijewardane (Sri Lanka) were recommended for appointment or reappointment to the United Nations Administrative Tribunal for a four-year term beginning on 1 January 2008.*

The meeting rose at 11.35 a.m.